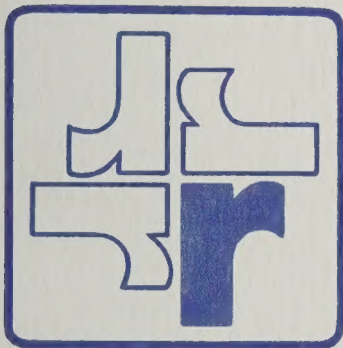


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OFFICIAL STATEMENT



Richmond Redevelopment Agency

Contra Costa County, California

\$4,110,000

Hensley Redevelopment Project

1977 Tax Allocation Bonds

no slip

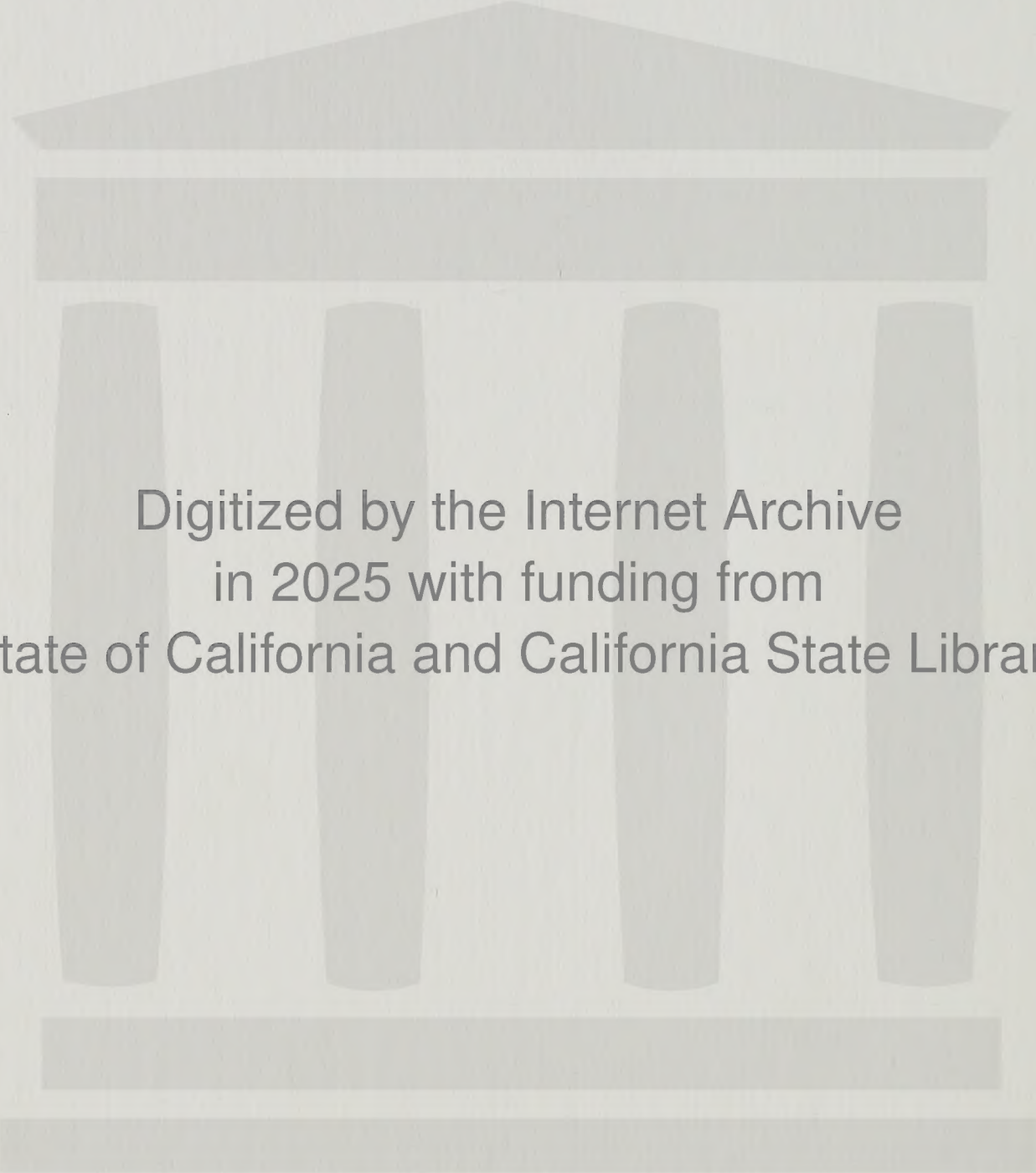
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Bids to be received by a representative of the Redevelopment Agency at the offices of Stone & Youngberg, Municipal Financing Consultants, Inc., One California Street, Suite 2750, San Francisco, California, at 11:00 A.M., Monday, April 4, 1977.

*Slum clearance Richmond
Investments Publ. secur.
Public debts Munic "*



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RICHMOND REDEVELOPMENT AGENCY
Contra Costa County, California
CITY COUNCIL AND MEMBERS OF THE AGENCY

NATHANIEL BATES, *Mayor and Chairman of the Agency*

DONALD WAGERMAN, *Vice Mayor and Vice Chairman of the Agency*

THOMAS J. CORCORAN, *Treasurer of the Agency*

FRITZIC V. ALLEN

STANLEY T. GRYDYK

ROBERT J. CAMPBELL

RICHARD N. NELSON

GARY FERNANDEZ

ALBERT E. SILVA

KENNETH H. SMITH, *City Manager*

LANCE BURRIS, *Economic Development and Renewal Administrator*

AGENCY STAFF

ALBERT C. HIRSHFIELD, *Chief,
Planning and Operations*

KATSUMI T. KAWAGUCHI, *Controller*

THOMAS L. JONES, *Chief, Real Estate
and Business Development*

JAMES K. KIMOTO, *Special Projects Director*

CITY STAFF

HARLAN HEYDON, *City Clerk*

SAMUEL V. MCGRATH,
City Attorney-Agency Counsel

ROBERT S. LATCHAW, *Public Works Director*

JOSEPH A. SALVATO, *Recreation
and Parks Director*

KENNETH M. HAMMON
Finance Director-Treasurer

CHARLES W. WOODWARD, *Planning Director*

DOUGLAS R. HOLLENBERG, *Personnel Director*

SPECIAL SERVICES

ORRICK, HERRINGTON, ROWLEY & SUTCLIFFE, *San Francisco
Bond Counsel*

STONE & YOUNGBERG MUNICIPAL FINANCING CONSULTANTS, INC., *San Francisco
Financing Consultants*

UNITED CALIFORNIA BANK, *San Francisco
Fiscal Agent*

UNITED CALIFORNIA BANK, *Los Angeles*

THE NORTHERN TRUST COMPANY, *Chicago*

MANUFACTURERS HANOVER TRUST COMPANY, *New York
Paying Agents*

THE DATE OF THIS OFFICIAL STATEMENT IS MARCH 21, 1977



richmond redevelopment agency

330 twelfth street
richmond, california 94801 415-237-6210

March 21, 1977

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of \$4,110,000 Hensley Redevelopment Project, 1977 Tax Allocation Bonds (the "Bonds"), authorized and issued for the purpose of assisting in the financing of said Project, paying of expenses in connection with issuance, and providing reserve funds as additional security for said Bonds.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultant to the Richmond Redevelopment Agency with regard to the Hensley Redevelopment Project, 1977 Tax Allocation Bonds. (Such firm will receive compensation from the Agency contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, the Community Redevelopment Law, the Redevelopment Plan for said Project, and financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Administrator of the Agency for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

The Official Statement does not constitute a contract with buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, accompanies the Official Statement as originally distributed and is available to any prospective bidder on request from said Administrator.

The legal opinion, approving the validity of the Bonds, will be furnished by Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel to the Agency. Bond Counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions as set forth hereinafter under the caption "The Bonds" (such firm will receive compensation from the Agency contingent upon the sale and delivery of the Bonds).

No dealer, broker, salesman or other person has been authorized by the Agency to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Agency.

RICHMOND REDEVELOPMENT AGENCY

/s/

NATHANIEL BATES
Chairman

/s/

LANCE BURRIS
Administrator

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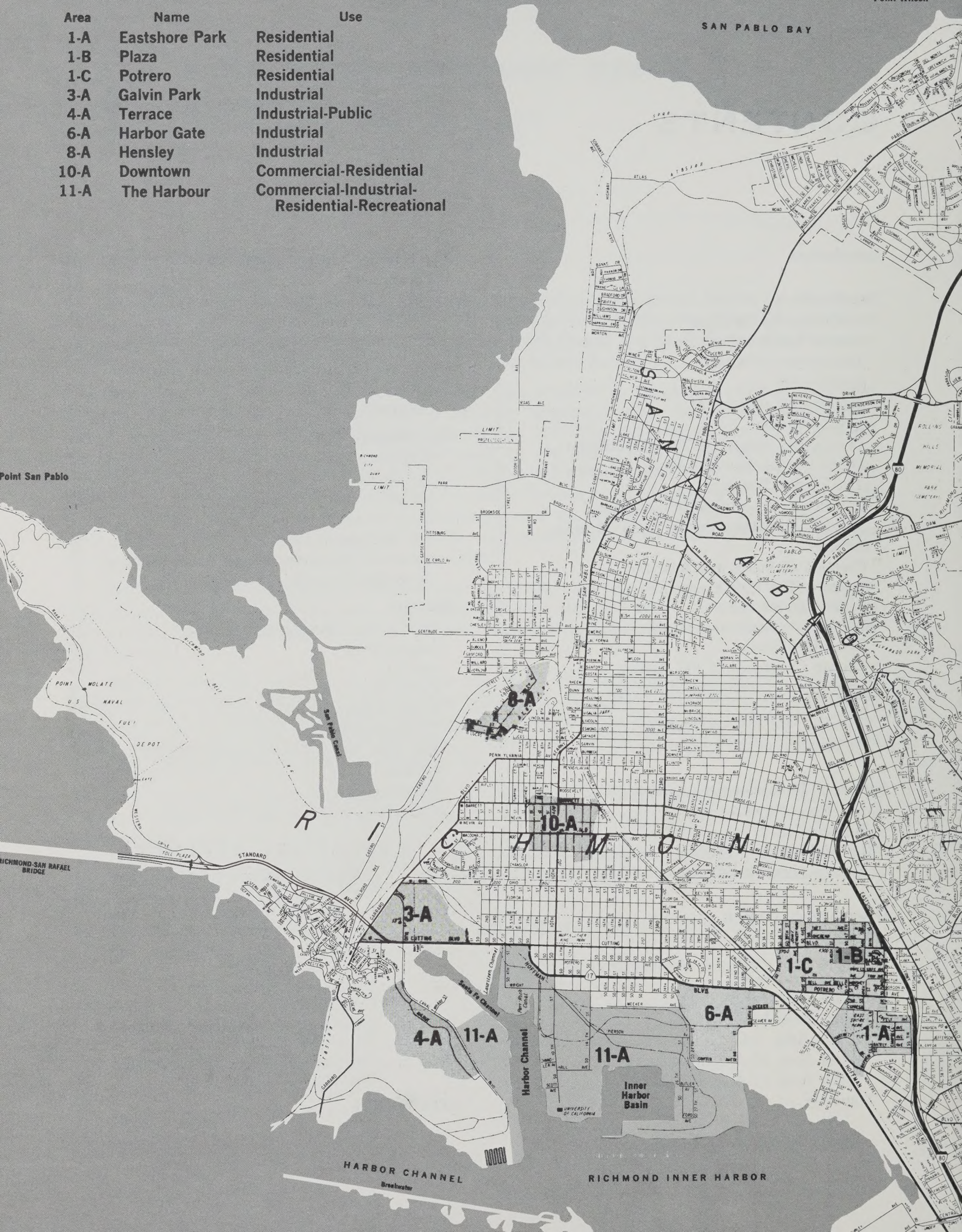
RICHMOND REDEVELOPMENT AGENCY PROJECTS

Point Pinole

Point Wilson

Area	Name	Use
1-A	Eastshore Park	Residential
1-B	Plaza	Residential
1-C	Potrero	Residential
3-A	Galvin Park	Industrial
4-A	Terrace	Industrial-Public
6-A	Harbor Gate	Industrial
8-A	Hensley	Industrial
10-A	Downtown	Commercial-Residential
11-A	The Harbour	Commercial-Industrial- Residential-Recreational

Point San Pablo



HARBOR CHANNEL
Breakwater

RICHMOND INNER HARBOR

INTRODUCTION

The Constitution and laws of the State of California recognize the vital need for the elimination and rehabilitation of deteriorating urban areas in the state through conservation and redevelopment efforts, and provide an effective means of accomplishing these objectives. Under the provisions of the Community Redevelopment Law (California Health & Safety Code, Section 33000 et seq.), communities containing areas subject to economic and social deterioration may remedy these conditions by activating a redevelopment agency, which has the power to designate specific areas for redevelopment, prepare plans for redevelopment of the designated areas, and carry out the approved plans.

Financing of redevelopment projects in California may be provided through the issuance of tax allocation bonds by the agency. This type of obligation is payable from property taxes collected from within a project upon the increase in assessed valuation which has resulted from redevelopment, as more fully described in this official statement. The Community Redevelopment Law also permits an agency to accept financial assistance from any available public or private source to help meet the costs of a project. The federal government has in the past provided such assistance in the form of loans and grants through the Department of Housing and Urban Development, under the provisions of the Housing Act of 1949, as amended.

The City of Richmond, through its Redevelopment Agency (the "Agency") has undertaken nine redevelopment projects covering a total of 1,823 acres, and has expended nearly \$62.5 million in project-related costs. Financing has been provided through local contributions, proceeds received from the sale of tax allocation bonds, proceeds received from the re-sale of land acquired for redevelopment, and federal assistance. In existence since October of 1949, the Agency was one of the first to be established in the nation, and is reported to have accom-

plished more redevelopment in proportion to its size and population than any other in the 17 western states. Through the activities of the Agency, Richmond has removed 18,000 units of temporary wartime housing and other substandard dwellings and commercial structures, and has provided areas for new homes and apartments, schools, parks and other public improvements, as well as a revitalized central business district and space for planned industrial development. As a result of the use of the redevelopment procedure in Richmond, aggregate assessed valuations of the various projects reflect an increase of \$35,616,970 over the valuations recorded as of the adoption dates of the respective projects (including estimated current assessed valuations of completed projects).

The 90-acre Hensley Redevelopment Project (the "Project") was the seventh to be initiated by the Agency, and was formally adopted by ordinance in February of 1960. The Project Redevelopment Plan provided for elimination of deteriorated and non-conforming housing and the installation of water and sanitary sewer lines, storm sewers, street improvements, a city fire station and a public park. Located in an industrialized area of the City of Richmond, the Hensley Project is also zoned for industrial uses. Initial Project financing for property acquisition, clearance and the construction of essential public facilities has been provided through a combination of federal assistance and city advances. Total expenditures to date for Project-related costs amount to \$2,062,667. New private development within the Project currently amounts to approximately \$11,200,000, and nearly 31 acres of cleared property are held by the Agency for additional development. In addition, a major Canadian forest products company (MacMillan Bloedel Limited) owns 22 acres of property within the Project (through a subsidiary), and may construct a paper de-inking and re-cycling plant on the site. If con-

structed, the initial investment in this plant is estimated at about \$8 million and an ultimate investment of \$80 to \$100 million is forecast.

Proceeds of the 1977 Tax Allocation Bonds now being offered for sale will be used to construct major street improvements to serve the Project area, and to finance design and Phase 1 construction costs of a government service center for the City of Richmond.

When approved in 1960, the assessed valuation of property within the Project was \$163,420 (subsequently increased to \$234,125 by amendment of the Project boundaries to include additional property), which became the base year valuation for purposes of allocating future annual property tax receipts between overlapping taxing entities and the Richmond Redevelopment Agency. Property taxes levied each year against an amount equivalent to the revised base year valuation continue to be paid to the respective taxing entities, while tax receipts derived from prevailing tax rates levied against any increases in assessed valuations are paid to the Agency for the payment of loans, advances or indebtedness incurred on behalf of the Project. The current 1976/77 assessed valuation of the Project totals \$3,885,430, which is \$3,651,305 in excess of the revised base year valuation. At the tax rates currently in effect, pledged tax revenues actually to be paid to the Agency in 1976/77 amount to

\$498,476. All statements of assessed valuations of the Hensley Project contained in this official statement, whether the base year (1959/60, as revised), the current year (1976/77), or intervening years, have been obtained from annual reports prepared by the Contra Costa County Auditor for the Agency.

Payment of interest and principal on the 1977 Tax Allocation Bonds described in this official statement is secured by a first and irrevocable pledge of all property taxes received from increased assessed valuations of the Project over the revised base year valuation (defined herein as the Tax Revenues), and all moneys set aside as a debt service reserve, subject, however, to permitted payments of "Surplus" tax increment revenues to the Agency under the terms and conditions described herein and in the Resolution of the Agency providing for the issuance of these bonds. At the present level of tax increment revenues being generated by the Project (\$489,476 per year), such revenues will cover estimated maximum annual debt service on the 1977 Tax Allocation Bonds by about 1.25 times, and will permit full retirement by 1992 (five years in advance of final maturity). The Agency is, however, permitted to issue additional bonds secured by the same tax increment revenues (subject to certain conditions precedent, as described herein), and may issue one or more additional series of such bonds to finance subsequent phases of the Project.

This Introduction does not purport to present the complete provisions of the bonds now being offered, their terms of sale, documents authorizing their issuance and other relevant data. Reference is hereby made to the Official Statement, Official Notice of Sale, and Resolution No. 77-19 of the Richmond Redevelopment Agency for a complete recitation of such provisions and information. This Introduction is part of the Official Statement and should be read in conjunction therewith.

THE BONDS

The statements herein concerning the Bonds and the Resolution are summaries of certain provisions thereof. They do not purport to be complete, and are qualified in their entirety by reference to the Resolution, a copy of which accompanies this official statement as originally distributed.

Authority for Issuance

The \$4,110,000 Hensley Redevelopment Project, 1977 Tax Allocation Bonds (hereinafter sometimes referred to as the "Bonds" or the "1977 Bonds"), currently being offered, were authorized pursuant to a resolution of the Richmond Redevelopment Agency adopted March 21, 1977 (the "Resolution"). The Bonds will be issued under the provisions of, and in full conformity with, the Constitution and laws of the State of California, including the Community Redevelopment Law (commencing with Section 33000 of the California Health and Safety Code—the "Law"), and acts amending or supplementing that Law.

Sale of Bonds

Bids for the purchase of the Bonds will be received on behalf of the Richmond Redevelopment Agency until 11:00 A.M., Monday, April 4, 1977. Details as to the terms and place of sale are included with the Official Notice of Sale, adopted March 21, 1977, a copy of which is included with this official statement as originally distributed.

Description of Bonds

The \$4,110,000 principal amount of Hensley Redevelopment Project, 1977 Tax Allocation Bonds will be dated as of April 1, 1977 and be issued either in coupon form in denominations of \$5,000 each, numbered 1 through 822, or in fully registered form in the denomination of \$5,000 or any authorized multiple thereof, maturing on April 1 in the years and in the amounts shown opposite. Interest is payable semiannually on April 1 and Octo-

ber 1 commencing October 1, 1977. The Bonds, the interest thereon, and any premiums upon the redemption thereof prior to maturity are payable at the San Francisco or Los Angeles principal offices of the Fiscal Agent, United California Bank (Trust Division), or at Manufacturers Hanover Trust Co., New York, New York or The Northern Trust Company, Chicago, Illinois (Paying Agents of the Agency), at the option of the holder.

Maturity Date April 1	Principal Amount
1978	\$ 95,000
1979	105,000
1980	110,000
1981	120,000
1982	130,000
1983	140,000
1984	150,000
1985	160,000
1986	170,000
1987	185,000
1988	200,000
1989	210,000
1997	2,335,000

Registration

The Bonds will be issued as coupon bonds or as fully registered bonds, at the holders' option, with the privilege of exchange as set forth in the Resolution.

Redemption Provisions

Bonds maturing on or prior to April 1, 1989, a total principal amount of \$1,775,000 (the "Serial Bonds"), are not subject to call or redemption prior to their respective maturity dates. Bonds maturing on April 1, 1997, a total principal amount of \$2,335,000 (the "Term Bonds"), are subject to call and redemption as a whole or in part, by lot, at the option of the Agency, from any available source of funds, on any April 1 commencing with April 1, 1990, upon payment of accrued interest to the date of call and a redemption price equal to the principal amount plus a premium, as shown in the following schedule (computed upon the principal amount of Bonds called for redemption). Notice of call for redemption shall be given as provided in the Reso-

lution. Provisions for payment of Term Bonds are set forth in the Resolution and described herein under the heading "Creation of Funds and Accounts —*Sinking Account.*"

REDEMPTION DATES AND PREMIUMS

103	%	if redeemed on or after April 1, 1990, and before April 1, 1991;
102½	%	if redeemed on or after April 1, 1991, and before April 1, 1992;
102	%	if redeemed on or after April 1, 1992, and before April 1, 1993;
101½	%	if redeemed on or after April 1, 1993, and before April 1, 1994;
101	%	if redeemed on or after April 1, 1994, and before April 1, 1995;
100½	%	if redeemed on or after April 1, 1995, and before April 1, 1996;
100	%	if redeemed on or after April 1, 1996.

Legal Opinion

The opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel for the Agency, attesting to the validity of the Bonds, will be supplied free of charge to the purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this official statement under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation (see section hereof entitled "Tax Exempt Status"). The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including this official statement, not mentioned in this paragraph.

Certificate Concerning Official Statement

At the time of payment for and delivery of the Bonds, the Agency will furnish the successful bidder a certificate, signed by appropriate officers of the Agency and city, acting in their official capacity, to

the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the official statement nor any amendment or supplement thereto contains any untrue statement or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made not misleading; (b) since the date of the official statement no event has occurred which should have been set forth in an amendment or supplement to the official statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the Agency or city since the date of such official statement.

Other Closing Documents

In addition to the opinion of Bond Counsel and the certificate concerning the official statement described above, the Agency will, at the time of delivery of the Bonds, furnish the purchaser the following documents, all to be dated as of the date of delivery:

1. **Arbitrage Certificate.** A certificate of a responsible officer of the Agency that, on the basis of the facts and circumstances in effect at the time of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that will cause the Bonds to be arbitrage bonds (together with an approving opinion of counsel concerning such certificate).

2. **No Litigation Certificate.** A certificate of a responsible officer of the Agency that there is no litigation threatened or pending affecting the validity of the Bonds.

3. **Signature Certificates.** Certificates of the respective officers and representatives of the Agency showing that they have signed the Bonds by manual or facsimile signature, and that they were duly authorized to execute the same.

4. **Treasurer's Receipt.** The receipt of the Treasurer of the Agency showing that the purchase price of the Bonds, including accrued interest to the date of delivery (if any), has been received by the Agency.

Tax Exempt Status

In the opinion of Bond Counsel, interest on the Bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment in California

The California Community Redevelopment Law provides that debt instruments authorized and issued in the same manner and for the same purposes as the Bonds described herein shall be legal investments for all banks, including trust companies, and various other financial institutions, as well as for trust funds and other public bodies. The Community Redevelopment Law also provides that such debt instruments are authorized security for public deposits.

The Superintendent of Banks of the State of California has previously ruled that debt instruments of a redevelopment agency are, by said statute, legal investments in California for savings banks. As such, the Bonds would also be legal investments for all trust funds, and for the funds of all insurance companies, commercial banks, trust companies, and any public or private funds which may be invested in county, municipal, or school district bonds. The Bonds may be deposited as security for the performance of any act whenever the bonds of any county or municipality may be so deposited, and may also be used as security for the deposit of public moneys in banks in the state. The Agency has not requested a separate ruling from said Superintendent of Banks as to these Bonds.

Purpose and Disposition of Bond Proceeds

Proceeds of the Bonds are to be used to finance construction of public improvements and related expenses, as described in the section of this official statement entitled "The Hensley Redevelopment Project".

Under the provisions of the Resolution, the Fiscal Agent will receive the proceeds from the sale of the Bonds and will apply them as follows:

(1) Accrued interest and premium, if any, will be deposited in the Interest Account within the Hensley Redevelopment Project Special Fund (as hereinafter defined).

(2) A sum equal to assumed maximum annual debt service on the Bonds (the "Minimum Reserve") will be deposited in the Reserve Account within the Hensley Redevelopment Project Special Fund.

(3) The balance of the proceeds will be deposited in the Hensley Redevelopment Project Redevelopment Fund, to be expended for the purposes for which the Bonds were issued.

The estimated amount of Bond proceeds to be used for each of the specified purposes is as shown in the tabulation below.

HENSLEY REDEVELOPMENT PROJECT

Disposition of Bond Proceeds

Public improvements	\$3,423,000 ^①
Reserve Account (assumed maximum annual debt service)	401,000
Provision for Bond discount (5% maximum)	205,500
Costs of issuance (legal, financing, printing, etc.)	80,500
Principal Amount of Bonds	<u>\$4,110,000</u>

① Primarily street improvements, and preliminary design and construction costs for other public improvements.

Security

The Bonds are payable from any available funds of the Agency and are secured by a first and exclusive pledge of all Tax Revenues (as defined below) and all moneys in the Reserve Account (to be established with the Fiscal Agent from Bond proceeds). The Tax Revenues are irrevocably pledged in their entirety to the payment of the Bonds, or to the Reserve Account by transfer, so long as any of the Bonds remain outstanding or unprovided for. However, the Resolution provides for discretionary disbursement of a portion of the Tax Revenues to the Agency after certain coverage requirements and other conditions precedent have been met (see section below entitled "Creation of Funds and Accounts—*Surplus*").

Under the provisions of the Community Redevelopment Law and the Redevelopment Plan for the Hensley Redevelopment Project, taxes on property in the Project levied by any taxing agency on or after July 1, 1961 (the date on which the allocation of Tax Revenues commenced), will be allocated in the following manner commencing April 1, 1977 (the Bond date):

(1) Taxes levied at the total prevailing rates each year against an amount equivalent to the recorded 1959/60 assessed valuation of property within the Project (the "frozen base", as amended), will continue to be paid into the funds of the respective taxing agencies.

(2) Taxes derived from increases in the assessed valuation of property within the Project

above the frozen base occurring for any reason (the "Tax Revenues") will be deposited in the Special Fund of the Agency, held and administered by the Fiscal Agent for payment of the Bonds.

The Bonds are special obligations of the Redevelopment Agency of the City of Richmond and as such are not a debt of the City of Richmond, the State of California, or any of its political subdivisions. Neither the city, state, nor any of its political subdivisions are liable for their payment. These Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The validity of the Bonds is not dependent upon the completion of the Project or upon the performance by anyone or his obligation relative to the Project.

Creation of Funds and Accounts

The Resolution provides for the establishment of funds and accounts, all to be held by the Fiscal Agent, for the administration and control of the proceeds obtained from sale of the Bonds, any other funds allocable to the Project, and from the pledged Tax Revenues. Specific aspects of these funds and accounts are described as follows.

The Redevelopment Fund—Moneys deposited in the Hensley Redevelopment Project Redevelopment Fund from Bond proceeds and any other sources, if required by the Agency, shall be used for the purpose of aiding in financing the Project. All moneys in excess of those required to complete the Project may be transferred from the Redevelopment Fund to the Special Fund, or be held in the Redevelopment Fund to assist in financing subsequent phases of the Project, if any, as determined by the Agency.

The Special Fund—Under the provisions of the Resolution, the Agency authorizes and directs the payment of Tax Revenues, as defined in a preceding section, directly to the Fiscal Agent for deposit in the Hensley Redevelopment Project Special Fund.

So long as any of the Bonds are outstanding, moneys in the Special Fund shall be set aside in the following special accounts and be used in the following order of priority:

(1) *Interest Account*. On or before the last day of September 1977, and the last days of each March and September thereafter, the Fiscal Agent shall set aside from the Special Fund in the Interest Account an amount sufficient, together with

any funds then on hand, to pay the aggregate interest on all of the outstanding Bonds on the next succeeding interest payment date. Any funds so set aside shall be applied solely to the payment of interest on the Bonds when due (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(2) *Principal Account*. On or before the last day of each March, commencing March 31, 1978 and ending March 31, 1989, the Fiscal Agent shall set aside from the Special Fund in the Principal Account an amount sufficient to pay the aggregate yearly principal becoming due and payable on the outstanding Serial Bonds on the next principal payment date. All funds in the Principal Account shall be applied solely for the payment of principal of the Serial Bonds when due and payable.

(3) *The Reserve Account*. After making the foregoing deposits, the Fiscal Agent shall set aside in the Reserve Account an amount sufficient to maintain the Minimum Reserve (as defined below) in said Reserve Account.

Moneys in the Reserve Account (initially equal to assumed maximum annual debt service requirements on the Bonds) shall be withdrawn and used by the Fiscal Agent solely for the purpose of paying the interest on and principal of the Bonds, or for the purpose of retiring all of the Bonds at the time outstanding.

At all times, a Minimum Reserve (an amount equal to assumed maximum annual debt service due on the Bonds, including annual Sinking Account deposits and the interest thereon, as discussed in Paragraph (4), below) shall be maintained in the Reserve Account. Should the amount in the Reserve Account be less than the required Minimum Reserve, the Fiscal Agent shall restore the balance by transfer of the first available moneys in the Special Fund, or by transfer of any available moneys in the Sinking Account.

(4) *Sinking Account*. Commencing January 30, 1990, but only after making the deposits or transfers required under Paragraphs (1), (2) and (3) above, the Fiscal Agent shall set aside all remaining Tax Revenues in the Sinking Account, subject to the provisions of Paragraph (5), below. For the purposes of determining available Surplus under said Paragraph (5), the Fiscal Agent shall deem the following minimum principal amounts to be required in each of the indicated years.

Year	Principal Amount	Year	Principal Amount
1990 ...	\$220,000	1994 ...	\$300,000
1991 ...	240,000	1995 ...	320,000
1992 ...	260,000	1996 ...	345,000
1993 ...	280,000	1997 ...	370,000

The price of any Term Bonds purchased by the Fiscal Agent (including brokerage and other expenses, but excluding accrued interest which is payable from the Interest Account) may not exceed the principal amount of such Bonds plus the premium applicable on the next following redemption date. After January 30, 1990, or any January 30 thereafter, the Fiscal Agent shall apply all moneys available in the Sinking Account (if such moneys are sufficient to redeem at least \$25,000 principal amount) to the call and redemption of Term Bonds on the next succeeding interest payment date.

The Fiscal Agent shall transfer any moneys in the Sinking Account to the Interest Account, the Principal Account or the Reserve Account if the required deposits to such accounts or the Reserve Account cannot be made from other sources of funds.

(5) *Surplus.* The Fiscal Agent on or before December 31 of each year, commencing December 31, 1977, shall ascertain the amount of Tax Revenues received or to be received by the Agency based upon the most recent assessed valuation of taxable property in the Project (as certified by the Auditor-Controller of Contra Costa County), and shall estimate that portion of said Tax Revenues which will be in excess of 125% of the amount of principal, Sinking Account payments (established under Paragraph (4) above) and interest which shall have come due or to become due during said fiscal year on the Bonds (and any parity bonds) then outstanding, and shall promptly notify the Agency of the excess portion so determined. The Agency may, by written notice to the Fiscal Agent within 30 days after receipt of such notification, direct that an amount not exceeding said excess portion be paid to the Agency, which amount may be used by the Agency for any purpose authorized in the Law, including, without limitation, the purchase and/or call and redemption of outstanding Bonds, provided the following condition has been met: The deposits required by the foregoing subsections

(1), (2), (3) and (4) have been made so that the required amounts are in the above mentioned accounts as shown by a notification of the Fiscal Agent. In addition, the Agency agrees to approve a resolution, prior to, or concurrent with, Bond delivery, that as conditions precedent to distribution of "Surplus" the Agency shall have filed with the Fiscal Agent a certification of the Auditor Controller of the County of Contra Costa to the effect that the Agency has actually incurred an obligation on behalf of the Project in an amount at least equal to such excess portion, and has no later than the next preceding October 1, filed such supporting documentation attesting thereto as said Auditor-Controller shall deem necessary; and said Fiscal Agent shall have certified that the Agency is not in default under the terms of the Resolution or the Bonds.

Upon receipt of the Tax Revenues, the Fiscal Agent shall make such payment or payments, as directed by the Agency.

Property Tax Rate Limitations and Exemptions

The California Legislature has enacted legislation intended to limit future increases in ad valorem property tax rates. This legislation generally limits all future general purpose tax rates to that imposed during either the 1971/72 or 1972/73 fiscal year, or the rates set by the enabling statute of the particular taxing entity. Tax rate limits may be raised by any amount which is approved by a majority vote of the electorate. Tax rates may also be increased under an inflation or "cost-of-living" formula incorporated in the legislation. This legislation does not restrict tax rates levied for certain limited purposes, e.g.—general obligation bonds or for voter approved pension plans.

Certain exemptions from property taxes have been granted to specific classes of property located in California. Revenues lost by local taxing agencies from two of these exemptions (the homeowners' property tax exemption and the business inventories exemption, which are discussed under the section "City Financial Data" in this official statement) are reimbursed by the State and are allocated to eligible redevelopment agencies in the same manner as locally collected taxes. Revenues lost as a result of other types of exemptions are not reimbursed, but assessed valuations of such exempt property are not reflected in either the frozen base roll or subsequent years' rolls. There is no assurance that additional

tax rate limitations or exemptions will not be approved, nor is there any assurance that revenues lost will continue to be reimbursed to local taxing agencies or allocated to redevelopment agencies. To the extent that such limitations or exemptions are approved, and reimbursement and allocation of lost revenues are not made, the security of the Bonds could be adversely affected.

Redevelopment agencies in California do not have the power to levy or collect property taxes, but must rely upon the taxes levied on property within a project by other taxing agencies for the production of Tax Revenues. The minimum tax rate for all purposes currently applicable to property located within the Project is \$13.652 per \$100 assessed valuation against 99.3% of the Project assessed valuation, and \$13.774 against the balance. For the purposes of this official statement, projections of Tax Revenues to be received in or for 1976/77 and subsequent years are based upon the lowest tax rates in effect for 1976/77.

On December 30, 1976, the Supreme Court of California affirmed a judgment of the Superior Court of California for the County of Los Angeles, holding the California system of financing public elementary and high schools, based on ad valorem taxation invalid under the California Constitution. (*Serrano v. Priest*, ____ Cal. 3rd ____).

The affirmed Judgment of the Superior Court also provides: (1) that the judgment is not intended to invalidate, and shall not be construed as invalidating in any way, any past acts constituting the operation of the school financing system; (2) that the existing school financing system shall continue to operate for a reasonable length of time (but in no event later than September of 1980) so that a constitutional system can be designed, enacted into law, and placed into operation; (3) that any redesign of the school financing system which provides for elimination of unconstitutional features on a gradual basis must be such that the redesigned school financing system will be fully constitutional no later than six years from date of entry of the judgment, and that otherwise there will be a denial to the plaintiffs of their constitutional rights for an unreasonable length of time; and (4) that the Trial Court is retaining jurisdiction so that any of the parties may apply for appropriate relief in the event that relevant circumstances develop, such as a failure by the legislative and executive branches to take the necessary steps to design, enact into law, and place into operation, within a

reasonable time from entry of the judgment, a fully constitutional system.

To the extent that this decision, as affirmed, and any future legislative or judicial action required to implement or enforce such decision, may limit the ability of schools to continue to levy ad valorem property taxes for the support of education, Tax Revenues may be reduced, possibly adversely affecting the security of the Bonds. The total 1976/77 tax rate for public elementary and high schools within the Project which may be affected by the decision is \$5.374 per \$100 assessed valuation.

Issuance of Additional Bonds

The Agency may, by Supplemental Resolution, issue Additional Bonds to pay the costs of the Project (including subsequent phases of the Project, if any) provided:

a. The Agency must be in compliance with all covenants set forth in the Resolution.

b. The Reserve Account must be increased, if necessary, by an amount sufficient to maintain the Minimum Reserve (assumed maximum annual debt service due on the Bonds and any Additional Bonds).

c. The Additional Bonds must mature on April 1, and interest thereon is to be payable April 1 and October 1 of each year, except the first year, which may be payable at the end of said year.

d. Tax Revenues produced or to be produced from the most recent equalized assessed valuation of taxable property located in the Project (including an allowance for estimated Tax Revenues to be derived upon completion within two years of the date of such Additional Bonds for construction actually in progress) are at least equal to 1.25 times the assumed average annual debt service on all series of the outstanding Bonds and the Additional Bonds proposed to be issued, as opined to by an independent certified public accountant employed by the Agency (the computation of assumed average annual debt service is to be made on the basis of approximately equal annual payments of principal plus interest over the entire term of the Bonds and the Additional Bonds proposed to be issued). For purposes of this computation, taxable property shall include assessed valuations of property exempt from local property taxation by reason of the homeowners' and business inventories exemptions, and any other exemptions enacted by statute or imposed by judicial

decision, to the extent that in-lieu payments for exemptions are made to the Agency.

e. The Agency must have received all required approvals of any governmental authority having jurisdiction over the Additional Bonds or their terms.

The Agency anticipates that one or more series of Additional Bonds will be issued to finance succeeding phases of the Hensley Redevelopment Project, but has not yet adopted amounts or schedules for any subsequent issues. At present, it is not anticipated that any Additional Bonds will be issued within 12 months of the date of this official statement.

Refunding Bonds

Existing State Law provides that refunding bonds secured by Tax Revenues derived from the Hensley Redevelopment Project may be issued for the purpose of refunding all or any series of the Bonds then outstanding.

Certain Covenants of the Agency

Certain covenants of the Agency under the Resolution are summarized in the following paragraphs.

1. The Agency will punctually pay, or cause to be paid, the principal of and interest on the Bonds as they become due.

2. The Agency will not encumber, pledge, or place any charge or lien upon any of the Tax Revenues superior to or on a parity with the pledge and lien created in the Resolution except as provided in the Resolution.

3. The Agency will deposit and use the Bond proceeds as provided in the Resolution, and will manage and operate all properties owned by the Agency and comprising any part of the Project in a sound and businesslike manner and will keep such properties insured at all times in conformity with sound business practice.

4. The Agency will pay and discharge, or cause to be paid and discharged, any governmental charges imposed, and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge which might impair the security of the Bonds. The Agency does not, however, covenant to make any such payment so long as the Agency in good faith shall contest the validity of said claims.

5. The Agency will keep proper books of accounts and will cause to be prepared within 120 days after the close of each fiscal year complete financial statements, in reasonable detail, on the Project, the

Tax Revenues and other funds and accounts as provided in the Resolution, all as certified by an independent certified public accountant. The Agency will furnish a copy of such statements to any Bondholder upon written request. Said books and accounts will be maintained separate and apart from those of the City of Richmond.

6. The Agency will carry out to completion with all practical dispatch the Project, and the Project will be accomplished and completed in a sound and economical manner and in conformity with the Redevelopment Plan, and the Community Redevelopment Law. The Redevelopment Plan may be amended as provided in the Law, but no such amendment may be made which would substantially impair the security of the Bonds or the rights of the Bondholders.

7. If all or any part of the Project owned by the Agency shall be taken by eminent domain proceedings, the net proceeds realized by the Agency therefrom shall be deposited with the Fiscal Agent in the Special Fund for the purpose of paying principal of and interest on the Bonds subject to the terms, conditions and requirements contained in the Resolution.

8. Whenever any property in the Project has been redeveloped and thereafter is leased by the Agency to any person or persons (other than the City of Richmond or a public instrumentality thereof), or whenever the Agency leases real property in the Project to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property (in accordance with Section 33673 of the Health and Safety Code of the State of California), and the lease or contract shall provide: (a) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of their leasehold interest, and (b) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease or contract shall be less than the taxes which would have been payable upon the assessed value of the entire property if the property were assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Fiscal Agent within thirty days after the taxes for such year become payable to the taxing agencies and in any event prior to the delinquency date or dates of such taxes established by law. All such payments to the Fiscal Agent shall be treated as Tax Revenues and shall be deposited by the Fiscal Agent in the Special Fund.

9. The Agency will not dispose of more than 10% of the land area in the Project (other than property shown by the Redevelopment Plan in effect as of the date of the Resolution as planned for public use, or for such other limited public uses as specified in the Resolution) to public bodies or other persons or entities whose property is tax exempt if as a result of such disposition the security of the Bonds or the rights of the Bondholders will be substantially impaired.

10. The Agency will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons.

11. The Agency will not invest or cause to be invested proceeds of the Bonds in a manner which would result in the Bonds becoming taxable arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code, as amended, and applicable regulations adopted thereunder.

Deposit and Investment of Moneys in Funds

Subject to the provisions of the Resolution, all moneys held by the Fiscal Agent in the Redevelopment Fund and the Special Fund, except such moneys which are at the time invested, shall be held in time or demand deposits in any bank or trust company authorized to accept deposits of public funds (including the banking department of the Fiscal Agent) and shall be secured at all times by bonds or other obligations which are authorized by laws as security for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund may, and upon written request of the Agency shall, be invested by the Fiscal Agent in certain Federal securities as described in the Resolution.

Obligations purchased as an investment of moneys in any of said funds shall be deemed at all times to be a part of such fund and any gain realized from such investment shall be credited to such fund and any loss resulting from any such authorized investment shall be charged to such fund without liability to the Agency or the members and officers thereof or to the Fiscal Agent. Investment income from moneys in the Reserve Account in excess of the Minimum Reserve may, at the request of the Agency, be transferred to the Redevelopment Fund, and investment income from moneys in the Redevelopment Fund may be so transferred to the Reserve Account.

For the purpose of determining at any given time the balance in such fund, any investment constituting a part of such fund shall be valued at the estimated market value of such investment.

Event of Default—Remedies

The Resolution declares each of the following events to be an event of default:

(1) Failure to pay the principal on the Bonds when due and payable;

(2) Failure to pay interest on the Bonds when due and payable, if such failure shall have continued for 30 days;

(3) Default by the Agency in the performance or observance of any of the covenants, agreements or conditions in the Bonds or in the Resolution if such default continues for sixty (60) days after written notice thereof has been given to the Agency by the Fiscal Agent or by the holders of not less than 25% in aggregate principal amount of the Bonds then outstanding; or

(4) If the Agency files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction approves a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Agency or of the whole or any substantial part of its property.

In the case of an event of default, the Fiscal Agent or the holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding may declare the principal of all the Bonds then outstanding and the interest thereon to be due and payable immediately.

In addition, in the case of an event of default, any Bondholder shall have the right, for the equal benefit and protection of all Bondholders similarly situated—

(1) By mandamus, suit, action or proceeding, to compel the Agency and its members, officers, agents or employees to perform each and every term, provision and covenant contained in the Resolution and in the Bonds, and to require the carrying out of any or all such covenants and

agreements of the Agency and the fulfillment of all duties imposed upon it by the Law;

(2) By suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondholders' rights; or

(3) Upon the happening of any event of default, by suit, action or proceeding in any court of competent jurisdiction, to require the Agency and its members and employees to account as if it and they were the trustees of an express trust.

The Resolution provides that no remedy conferred therein upon the Fiscal Agent or the Bondholders shall be exclusive of any other remedy, and that each and every remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or thereafter conferred upon the Fiscal Agent or Bondholders. However, the effect of any such remedies may be limited by the laws of the State of California affecting such remedies and may also be limited by laws governing bankruptcy, insolvency or other matters affecting enforcement of creditors' rights.

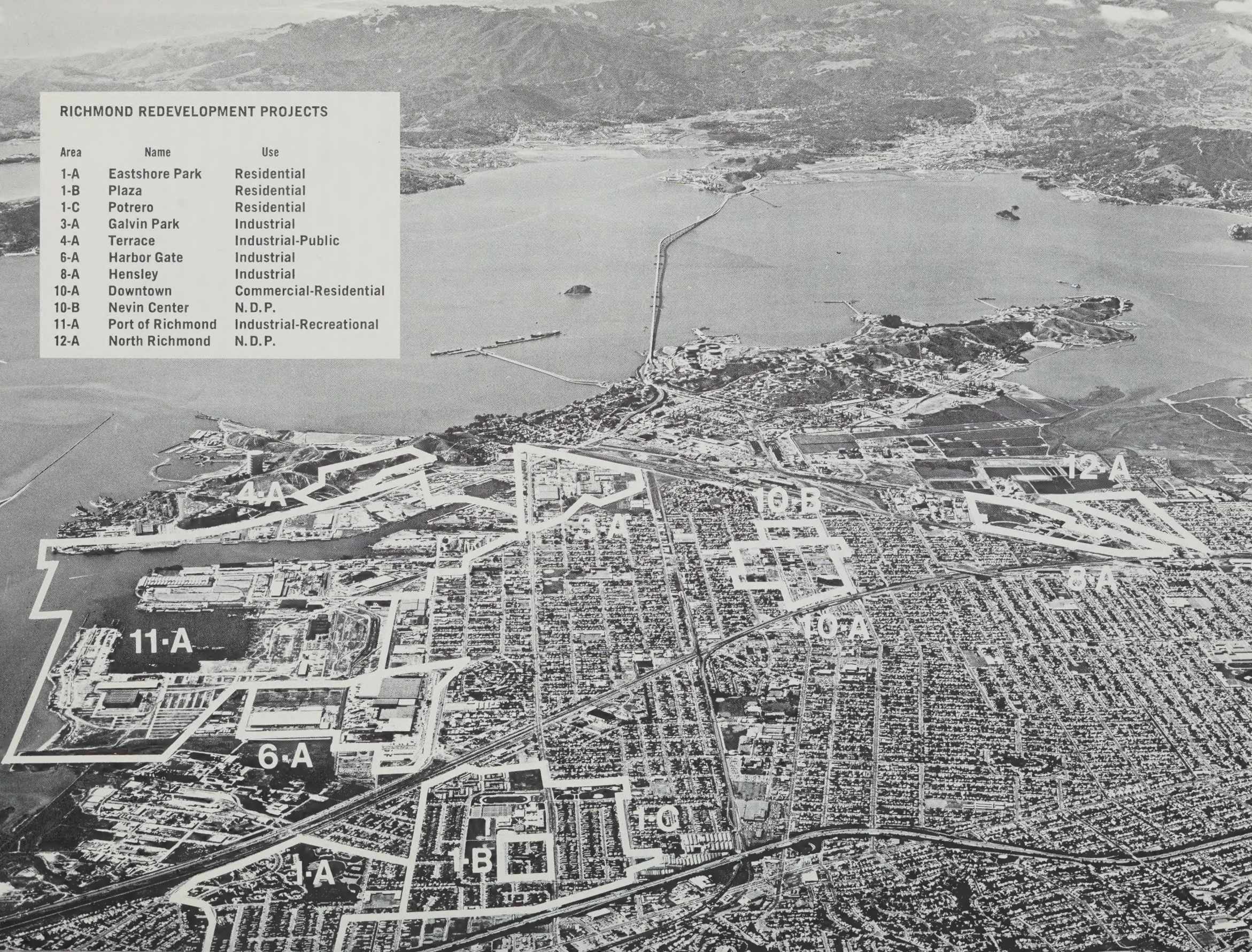
Amendment of the Resolution

The Resolution may be modified or amended by a Supplemental Resolution only with the consent of

the holders of 60% of all Bonds then outstanding (exclusive of disqualified Bonds, as defined in Section 7.04 of the Resolution) unless the modification or amendment is for the purpose of curing ambiguities or defects in the Resolution; grants or confers upon the Bondholders additional rights, remedies, powers, authority or security; or to provide for the issuance of Additional Bonds in conformity with the provisions of the Resolution, in which case no Bondholder's consent is required. No modification or amendment of the Resolution shall: (1) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Agency to pay the principal thereof, or interest thereon, or any premium payable on the redemption thereof, at the time and place and at the rate and in the currency provided therein, without the express consent of the holder of such Bond, or (2) permit the creation by the Agency of any mortgage, pledge or lien upon the Tax Revenues, superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or (3) modify any of the rights or obligations of the Fiscal Agent or of any Paying Agent without its written consent, all as provided in the Resolution.

RICHMOND REDEVELOPMENT PROJECTS

Area	Name	Use
1-A	Eastshore Park	Residential
1-B	Plaza	Residential
1-C	Potrero	Residential
3-A	Galvin Park	Industrial
4-A	Terrace	Industrial-Public
6-A	Harbor Gate	Industrial
8-A	Hensley	Industrial
10-A	Downtown	Commercial-Residential
10-B	Nevin Center	N. D. P.
11-A	Port of Richmond	Industrial-Recreational
12-A	North Richmond	N. D. P.



RICHMOND REDEVELOPMENT AGENCY

The Redevelopment Agency

Prior to the years of the Second World War, the City of Richmond was a comparatively self-sufficient community, with most of the working population employed at local industries which had developed over the years, and at supporting service businesses. During World War II, a major industrial expansion occurred to assist the war effort, particularly in shipbuilding, accompanied by a massive population influx. Approximately 18,000 temporary housing units were constructed during an 18-month period, which, after the conclusion of hostilities and closing of the shipyards, suffered increasing vacancies and deterioration. Similarly, the city's central business district declined in character and structural quality, which encouraged an export of retail and service business to surrounding communities.

With the passage of the National Housing Act of 1949, and implementing state legislation, the City Council established the Richmond Redevelopment Agency pursuant to Ordinance No. 4687 on October 24, 1949. This was one of the first redevelopment agencies to be established in the United States, and continues to be one of the most active and most successful. The objectives of the Agency were to acquire and clear the wartime housing, provide new housing for low and moderate income families, and upgrade and broaden the community's economic base through development of industrial parks and commercial areas. In addition, the Agency has been instrumental in providing improved streets, parks, community buildings, sewerage facilities and other public improvements. To date, the Agency has initiated nine redevelopment projects and two neighborhood development projects. Costs of the several projects have been met from advances by the City of Richmond, federal assistance under the Renewal Assistance and Model Cities Programs, Community Development Block Grants, tax increment income returned to the city and placed in a Redevelopment Revolving Fund for subsequent expenditure, and proceeds from the sale of tax allocation bonds.

The City Council acts as the governing board of the Redevelopment Agency, assisted by separate advisory committees for each redevelopment project appointed by the Council. The Agency maintains a staff of 21 under the direction of an appointed Administrator. Services provided by Agency Staff include property acquisition, relocation, fiscal management, and other functions necessary for project implementation. Supporting services in the fields of planning, engineering, public works and relocation are provided by city staff.

Brief biographical data pertaining to the principal Agency staff members is as follows:

Economic Development and Renewal Administrator, Mr. Lance Burris is the Administrator of the Agency. He has been an employee of the Agency since August 1976. He has a BA from the University of California at Berkeley and a MS from Boston University in business administration (finance). Mr. Burris has been in public services since 1967, first as a systems analyst with the Planning Research Corporation in Heidelberg, Germany, then with the San Francisco Redevelopment Agency as Business Development Specialist, Assistant Project Director and also as Project Director in the Yerba Buena Center, and finally with the present Agency. Mr. Burris was for three years an Automatic Data Processing Operations Officer (Lt. USNR—Naval Intelligence) at Pearl Harbor, Hawaii prior to going to Heidelberg, Germany.

The Special Projects Director, Mr. James K. Kimoto, also acts as Deputy Administrator of the Agency. He has been an employee of the Agency since 1969 in positions of successive responsibility, including most recently the position of Administrator which is no longer in existence. He has a BS in Business Administration from the University of California at Berkeley and has been in public services since 1946, first with the federal government as Economics Specialist, then with the Division of Highways as a Right-of-Way Agent, then with the San Francisco Redevelopment Agency as a Senior Realty Agent and finally with the present Agency. Mr. Kimoto was for two years in private appraisal practice prior to going to San Francisco Redevelopment Agency. He is a senior member of the professional organization to the American Right of Way Association and had previously been cited by the federal government for outstanding service.

Agency financial records are maintained under the supervision of the Controller, Mr. K. T. Kawaguchi. Mr. Kawaguchi has served the Agency since

March 9, 1970 and has gained a total of 30 years experience in the field of governmental accounting, controllership, auditing, budgeting, data processing and related activities. He retired from the Army as a Major in the Finance Corps after serving over 20 years of active service. He is a graduate of the Army Finance School and has attended San Francisco State College, Contra Costa College and the University of Hawaii.

All real estate activities are under the supervision of the Chief of Real Estate, Mr. Tom Jones. Mr. Jones has been in the real estate division of the Agency since August 1966. From 1955 to 1966 he was employed as a real estate appraiser by American Savings and Loan Association, Union Bank and American Right of Way and Appraisal Contractors. Mr. Jones received his BS degree in Agriculture from Iowa State University. In addition he has taken many of the real estate courses offered by the University of California and the American Institute of Real Estate Appraisers.

All engineering and planning activities are under the supervision of Mr. Albert Hirshfield, Chief, Planning and Operations. He was first employed in July of 1956 and has now completed more than 20 years with the Agency. After graduation from the University of Southern California he spent several years with the United States Government as a physicist on various projects including time with the U.S. Navy Bureau of Naval Ordnance, on the Manhattan Project at the University of California Radiation Lab., as well as time in the armed forces. He later attended graduate school at the University of California at Berkeley attending classes in Engineering and 1½ years in the College of City and Regional Planning, as well as taking extension courses in Construction Accounting and Construction Estimating. He was first licensed by the State of California as a General Contractor in 1950, which license he still maintains.

Powers

All powers of the Agency are vested in its nine members. Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. As such, the Agency has the authority to acquire, develop, administer, and sell or lease property, including the right of eminent domain, the right to accept financial assistance from any source, and to issue bonds and expend their proceeds.

The Agency may also clear buildings or other improvements, develop as a building site any real property owned or acquired, and in connection with such development, may provide for the installation of streets, utilities, sidewalks, and other necessary public improvements. With the exception of publicly owned structures and facilities benefitting a project, the Agency itself cannot construct or cause to be constructed any buildings contemplated under the redevelopment plan but must convey property in the project by sale or lease, at fair market value, for private redevelopment in strict conformity with the redevelopment plan. The Agency may specify a period of time within which such development must begin.

Tax Allocation Financing

The Community Redevelopment Law authorizes a method of financing redevelopment projects upon a prescribed allocation of property taxes collected within a project. The assessed valuation of taxable property within the project is, in effect, frozen at the level existing prior to adoption of the redevelopment plan, and all overlapping taxing bodies continue to receive the taxes derived by the levy of the current tax rate against this frozen base. All property taxes collected each year after the adoption of the redevelopment plan upon any increase in assessed valuation above the established base level may be credited to a redevelopment agency and pledged to the repayment of any indebtedness incurred in the development of the project. After all such indebtedness has been repaid, the total taxes produced by the project thereafter accrue to the respective taxing bodies in the usual manner. Thus, the tax allocation procedure not only permits each taxing agency to levy and collect taxes on the level of assessed valuation existing in a project prior to redevelopment, but also provides that increases in assessed valuation occurring as a result of such redevelopment may be used as a basis for the repayment of costs or indebtedness incurred on behalf of the project.

During the course of redevelopment, assessed valuations may temporarily be less than the frozen base, as a redevelopment agency acquires land and improvements and the properties are removed from the tax rolls by virtue of the transfer to public ownership. As an agency disposes of the land for purposes of redevelopment, it is returned to the tax rolls with an assessed valuation that usually reflects the higher level of planned use prescribed in the rede-

velopment plan. In the event that privately owned property is acquired and permanently removed from the tax rolls for public uses, the frozen base valuation is reduced proportionately so that the ability to generate pledged Tax Revenues from any new development will not be impaired.

As previously stated, the Community Redevelopment Law authorizes the issuance of bonds by a redevelopment agency, and the payment of bond service costs is permitted from any one or a combination of stated sources. The 1977 Tax Allocation Bonds now being offered for sale are secured by a pledge of tax receipts produced from the incremental assessed valuation of the Project (previously defined as the Tax Revenues) which are to be paid directly into the Agency's Special Fund established for the benefit of the Bondholders, and held by the Fiscal Agent. As discussed previously, Tax Revenues received each year in excess of one hundred and twenty-five percent (125%) of aggregate annual interest and principal requirements on the Bonds (and for other required payments and deposits, if any) may be paid to the Agency by the Fiscal Agent.

Agency Financial Statements

The Redevelopment Agency of the City of Richmond is a public entity separate and apart from the City of Richmond, and maintains its own accounting records. Prior to the 1975/76 fiscal year, Agency operations were not subject to independent audit, except certain federally assisted projects which are subject to audit by the United States Government. The initial independent audit of the Agency was prepared for the fiscal year ended June 30, 1976, and is reproduced in its entirety as Appendix I to this official statement. Separate independent audits will be prepared at the close of each subsequent fiscal year, and as required by the Resolution, will be available to any Bondholder upon request within 120 days following the close of such fiscal year.

Pursuant to the provisions of Section 33620 of the California Health and Safety Code, a Redevelopment Revolving Fund (identified in the city's records as the "Increment Tax Fund") was established in the Treasury of the city to account for advances made to the Agency from city funds and recovered from tax increment revenues or other sources of funds (e.g.—tax allocation bond proceeds). The Revolving Fund balance as of June 30, 1976 amounted to \$63,859, according to the city's audit for the 1975/76 fiscal year.

The Contra Costa County Auditor-Controller certifies the total allocation of tax increment revenues to be made to the Agency each fiscal year on the basis of the then current year's assessed valuations and applicable tax rates. A history of total tax increment revenues received by the Agency since 1966/67 is presented below (based on taxes levied by entities other than the city through 1969/70, and all taxing entities thereafter). A history of incremental assessed valuations and Tax Revenues of the Hensley Redevelopment Project is presented on page 25 hereof.

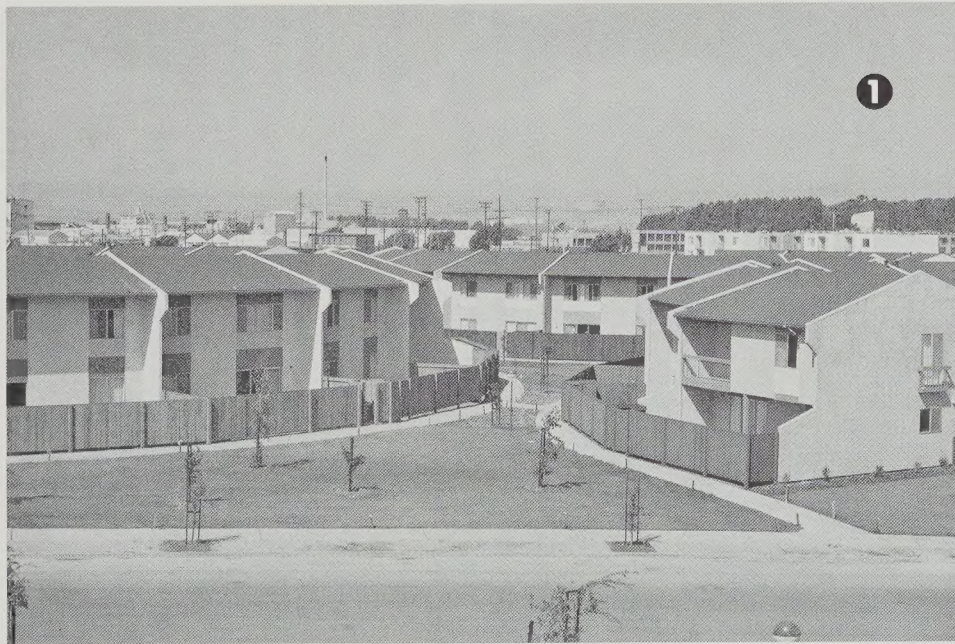
RICHMOND REDEVELOPMENT AGENCY

History of Tax Increment Revenues

1966/67—1976/77

1966/67 .. \$	215,530	1972/73 .. \$	452,682 ^①
1967/68 ..	263,211	1973/74 ..	648,180
1968/69 ..	308,355	1974/75 ..	671,817
1969/70 ..	465,328	1975/76 ..	919,173
1970/71 ..	773,049	1976/77 ..	1,473,510
1971/72 ..	813,990		

^① Reduction reflects repayment of all costs and advances of the Agency's Project Area 1-C (the Potrero Project) in 1971/72, and elimination of such tax increment revenues in subsequent years.



Examples of new development in redevelopment projects of the Richmond Redevelopment Agency: ①The 378-unit Crescent Park apartment development in the Eastshore Park Project (Area 1-A); ②Housing development in the Plaza Project (Area 1-B); ③"Richmond ONE," an office building constructed by private interests in the City's Downtown Project (Area 10-A); and ④The 1,030-unit John F. Kennedy Manor located in the Potrero Project (Area 1-C).

OTHER AGENCY PROJECTS

Project Area 6-A

The Agency's first completed project was Harbor Gate, Project 6-A, which was initiated in 1954 and finished in 1962. The project covers 136 acres and was financed without federal assistance by monies advanced by the city. Project 6-A was the first tax increment-financed project in California.

Two major food distribution centers were constructed, bringing the assessed valuation of the property from \$260,476 in 1954 to \$14,613,332 in 1975/76 (the last year separate records were maintained), and providing 1,320 new jobs. The additional tax revenues in 1975/76 were \$1,995,012 while the net cost of the project after land sales was \$592,154, mostly for streets, storm-drains, sewers and other public improvements and facilities. All loans, advances and indebtedness pertaining to this project were retired prior to 1960, and assessed valuation and tax records had been maintained for information purposes only. Total tax revenues now flow to the various overlapping taxing entities.

The immediate success of Project 6-A enabled the Agency to repay the city advances from tax increments and enabled the city, in turn, to establish a Redevelopment Revolving Fund. This fund has been instrumental in expediting the completion of Agency projects.

Project Area 1-B

Project Area 1-B, an eleven-acre site, was initiated as the Agency's first residential project in 1955 and is known locally as "The Pilot Project" and also as "The Plaza". Financed from city and Agency resources, without federal participation, Project 1-B was selected as a test project to determine the feasibility of several pioneering concepts:

- To test the legality of the Lanham Act which transferred federally leased lands into fee ownership.
- The ability to change FHA and VA attitudes and underwriting practices with respect to the types of housing proposed for the Richmond market area.

- The acceptability of new row-housing design concepts to the market for new housing in the Richmond area.
- The acceptability of integration in new housing in the Richmond area.

The Project was completed in 1957 with 109 dwelling units including single family houses, row houses, and duplexes constructed with variations in setbacks and roof-line design.

The assessed valuation of Project 1-B grew from \$20,360 to \$432,975 in 1975/76 (the last recorded year), producing net annual tax returns of \$56,834. The acceptance of the project led to more extensive residential neighborhood development adjacent to Project Area 1-B in Project Area 1-C, which encompasses Project Area 1-B, and in Project Area 1-A adjacent to Project Area 1-C on the south. The allocation of tax increment revenues from Project 1-B ceased after 1965/66 when all costs had been reimbursed to the Agency.

Project Area 4-A

The Terrace, Project 4-A, is a 77-acre site, thirty acres of which were sold to the city for its \$10 million sewage treatment plant. Approximately 27 acres remain available for industrial development, of which 10 are owned by Santa Fe Industries and Pacific Gas and Electric Co. Assessed value in Project 4-A has increased from \$25,600 to approximately \$750,000. The Project was the third and last project undertaken by the Agency without federal assistance until adoption of Project 11-A (The Harbour) in 1975.

Project Area 3-A

Galvin Industrial Park, Project Area 3-A, is a 90-acre site which was financed with federal loan assistance and a \$100,000 issue of tax allocation bonds which were sold through negotiated placement. The site includes 65½ acres of light industrial uses, 18 acres are reserved for future freeway construction and 5 acres are in commercial re-use. The project is completed and now has 9 industries and a motel-restaurant-gas station complex which have provided 1,345 new jobs. Assessed value has grown from \$39,999 to \$6,969,796 (1975/76, the last recorded year), producing \$951,517 in tax revenues. Various public agencies spent \$350,000 for streets, sewers, and landscaping improvements. The tax allocation bonds were retired in November of 1962, and the allocation of tax increment revenues to the Agency ceased.

Project Area 1-A

The Eastshore Park Project, Project Area 1-A, was the fifth to be initiated by the Agency, and prior to adoption of the Redevelopment Plan in 1957 was the locale of temporary wartime housing constructed for Richmond shipyard workers. Clearance of the deteriorated housing and land assembly were financed with federal assistance, and approximately \$3,600,000 of local funds have been expended for public improvements and related project costs. Encompassing 122 acres, this project has been redeveloped as a residential area with 216 single family homes and 414 multiple dwelling units. Private development was completed in 1968 and now represents a market value of at least \$14,600,000 (at current county assessment ratios). Public funds (including proceeds from the sale of two tax allocation bond issues on behalf of the Eastshore Park Project) have been applied to the acquisition and construction of two public parks (19 and 6 acres, respectively), a 14,000 square-foot community center, a 5,300 square-foot child care center, a city fire station and branch city library.

In November of 1971, the Agency issued \$1,475,000 of tax allocation bonds on behalf of this project for the construction of various public improvements, and in May of 1975 issued an additional \$1,000,000 of parity bonds to finance the construction of the city fire station and branch library located within the project boundaries. All outstanding 1971 Bonds were called and retired on November 15, 1976, the first call date. The \$1,000,000 of 1975 Bonds are subject to call for redemption on or after November 15, 1981, and are secured by all tax increment revenues derived from the Eastshore Park Project.

Assessed valuations have grown from \$463,400 in 1957/58 (the base year) to \$3,078,924 in 1976/77, an increase of \$2,615,524. Tax increment revenues to be received in 1976/77 are reported at \$358,670 by the Contra Costa County Auditor-Controller, which, if continued, will assure retirement of all 1975 Bonds by November 15, 1981 (nine years ahead of maturity).

Project Area 1-C

The Potrero Project, Project Area 1-C, is a 191-acre planned residential neighborhood with recreational, educational, cultural and commercial facilities. The planned 1,000 new living units have been completed. Project Area 1-C includes John F. Ken-

nedy High School for which a swimming center containing three pools, a bathhouse, concrete deck, wind shield and landscaping were completed in 1972 at a cost of \$525,000. An elementary school site adjoins the high school.

The assessed value of Project 1-C has risen from \$841,433 to \$4,007,565 (1975/76, the last recorded year). Net annual tax revenues now total \$432,240. Single family dwelling units in the project area have been constructed between 1964 and 1970 at FHA values ranging from \$18,500 to \$31,000. John F. Kennedy Manor, a 168-unit apartment with an FHA value of \$2,778,666 was completed in 1970, and a 156-unit addition is also completed.

All land in this project has been sold, and federal involvement was concluded April 22, 1975. The allocation of incremental taxes to the Agency ended after 1971/72, with the reimbursement of all local project costs.

Project Area 10-A

The Downtown Project, Project 10-A, is a 107-acre area encompassing downtown Richmond. The preparatory work undertaken on the project is now sufficiently completed that large portions are ready for re-use and development.

Project 10-A adjoins the northern East Bay terminal of BART (Bay Area Rapid Transit District), and the city's urban renewal plan proposes a contiguous high-density apartment, office, and commercial development. Additional development in the BART area includes a multi-modal terminal for Amtrak, which parallels the BART tracks at this point. The terminal complex will also contain a major bus depot with feeder lines from the A/C Transit System, serving the East Bay area and San Francisco.

Significant developments completed by the city and the Agency to date include.

- Acquisition of the major portion of land, demolition, and relocation of business and families.
- Construction of two major underpasses and an overpass separating the Southern Pacific and Santa Fe tracks from major east-west and north-south arterials.
- Street widening, repaving, landscaping and lighting of three major streets.
- Construction of the 150-unit Hacienda Apartments for senior citizens on the fringes of the project.
- Construction of a \$30,000,000 Social Security Program Center completed in August of 1975.

Completion of the City's Downtown Urban Renewal Plan is expected to bring about the expenditure of \$40,000,000 in construction projects, which include 800 new dwelling units, and provision of 2,500 new jobs. At completion, the project is estimated to generate at least \$1,000,000 in additional tax revenues annually. The Agency will derive \$615,893 of tax increment revenues in 1976/77, and expects to issue approximately \$5,000,000 of tax allocation bonds on behalf of the Downtown Project in late April of 1977.

Project Area 11-A

In June of 1975 the Agency and City Council adopted the Redevelopment Plan for Project Area 11-A (The Harbour Project) which covers 964 acres in the southwestern quadrant of the city. The project includes the present operating area of the Port of Richmond and adjacent land and water areas to the east which are in deteriorating condition and/or economically underutilized. Pursuant to the Redevelopment Plan, the project development will provide for additional Port facilities in the western portion and commercial, water-oriented recreational and residential development in the eastern segment. An operating agreement has been entered into with Matson Terminals, Inc. for the proposed Port facilities (subject to approval of the Federal Maritime Commission), and plans for neighboring private development and a small-boat marina are nearing completion.

It is expected that the Agency will offer approximately \$16,500,000 of lease-revenue bonds for sale in late September of 1977 to finance initial improvements at the Port of Richmond. Facilities acquired or constructed with bond proceeds will be leased by the Agency to the City of Richmond, which may sublease such facilities to the approved operator. Additional financing may be required at a subsequent time for expanded Port facilities and to facilitate private development in the eastern area of the project, but firm plans for such financing have yet to be adopted.

The base year assessed valuation (1974/75) will first be reported by Contra Costa County during August of 1977, as will the valuation for the then current fiscal year (1977/78). It is not expected that any significant increase in assessed valuations will be reflected on the tax rolls for several years.

Summary

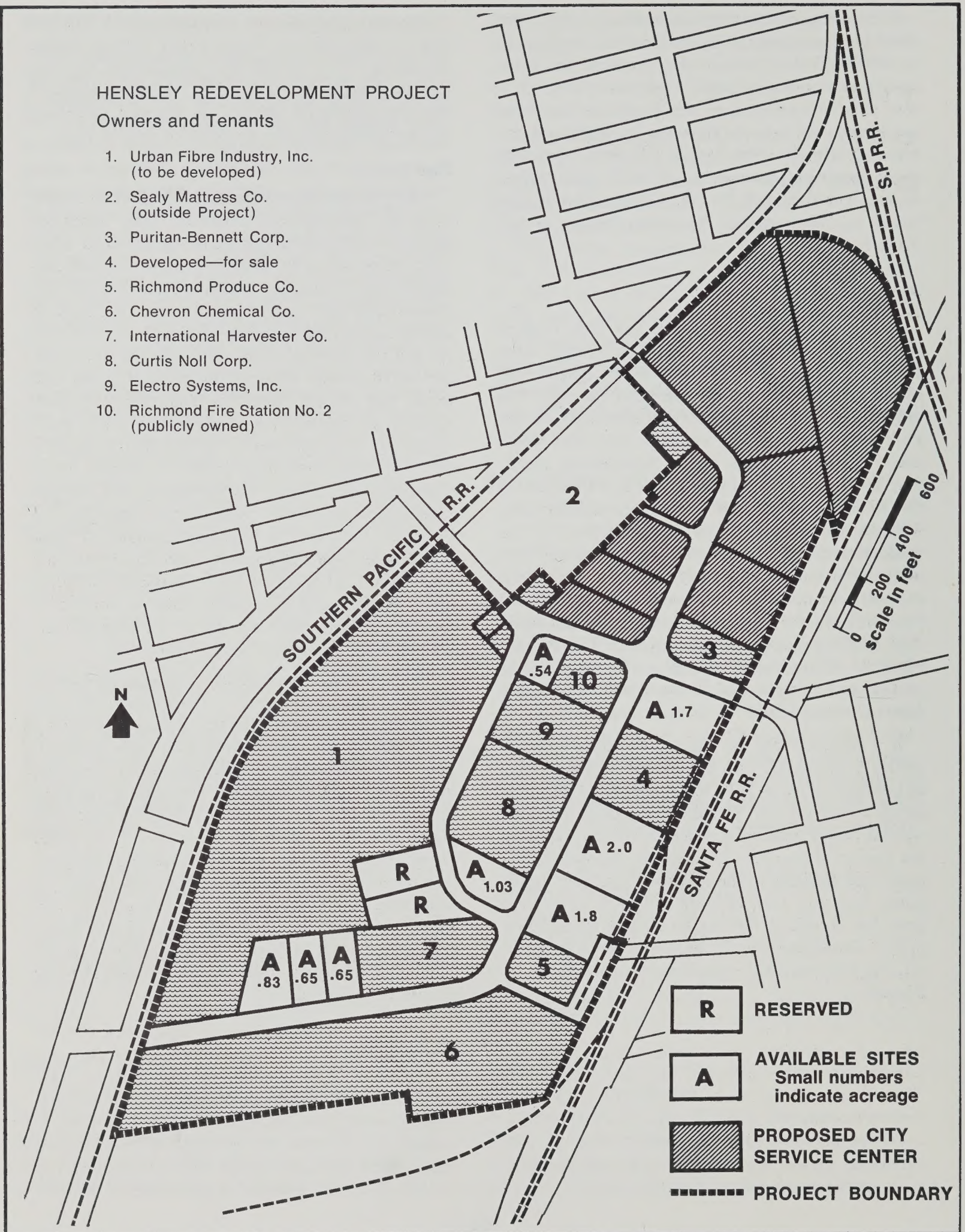
The nine redevelopment projects and two Neighborhood Development Projects (not discussed herein) of the Redevelopment Agency thus affect 1,823 acres within the City of Richmond. Total estimated cost to acquire and prepare the respective project sites for redevelopment has been approximately \$62,500,000 of which \$14,500,000 has been or will be realized from the sale of the land, \$35,600,000 was financed by federal grants and loans, and \$20,000,000 was financed from local sources. Richmond has accomplished more redevelopment in proportion to its size and population than any other community in the 17 western states. Currently, the assessed valuations of the various redevelopment projects represent an aggregate increase of \$35,616,970 (includes estimates of completed redevelopment projects) over the frozen base valuations established at their respective adoption dates. Assuming a 25 percent ratio of assessed to full value, this increase represents an estimated market value of approximately \$140,000,000.

To date, five of the Agency's redevelopment projects have retired all costs, advances from the city, or indebtedness through the tax allocation procedure authorized by the Law and the California Constitution. Three others are fully self-supporting from tax increment revenues, including the Hensley Redevelopment Project (Project Area 8-A), for which the Bonds described herein are being issued. As stated above, Project Area 11-A (The Harbour Project) is presently in the formative phase and is not yet generating any tax increment revenues, nor have any significant costs been incurred. Additional development is planned and anticipated in the currently active projects which could equal or exceed all prior private development.

HENSLEY REDEVELOPMENT PROJECT

Owners and Tenants

1. Urban Fibre Industry, Inc.
(to be developed)
2. Sealy Mattress Co.
(outside Project)
3. Puritan-Bennett Corp.
4. Developed—for sale
5. Richmond Produce Co.
6. Chevron Chemical Co.
7. International Harvester Co.
8. Curtis Noll Corp.
9. Electro Systems, Inc.
10. Richmond Fire Station No. 2
(publicly owned)



THE HENSLEY REDEVELOPMENT PROJECT

Background

The Redevelopment Plan (the "Plan") for the Hensley Project (Project Area 8-A) was the seventh to be initiated by the Richmond Redevelopment Agency, and was adopted by Ordinance No. 1648, as amended, of the Richmond City Council on February 29, 1960. This Project is located in the western portion of the city adjacent to neighboring industrialized areas. Conditions within the Project area prior to adoption of the Plan met the statutory conditions of blight, which must be found to exist as a prerequisite to initiation of redevelopment activities. These conditions included mixed and incompatible land uses, deteriorated housing, non-conforming land use, overcrowded housing, and inadequate public facilities.

The Project qualified for assistance under the Urban Renewal Program administered by the U.S. Department of Housing and Urban Development ("HUD"), and costs of implementation have been met from a combination of federal and local sources. During the period of HUD involvement, total Project expenditures amounted to \$2,062,667 which were provided from a Project Capital Grant of \$1,579,300 by HUD, and city advances of \$483,367. These funds were applied to the acquisition and clearance of 226 parcels (61.06 acres) and the construction of water and sewer lines, storm sewers, street improvements, a city fire station and public park. HUD participation was completed in June of 1973 when the Project was prepared for private development.

The Project area was considered to be ideally suited for industrial development because of its proximity to other industrial property, existing industrial property within the Project boundaries, convenient freeway access and on-site rail service. Elimination of non-conforming residential uses has prepared the Project for intensive industrial development, as discussed below.

Project Development and Status

The Project is an irregularly shaped area covering 90.464 acres, and is bounded on the east and west by rail lines of the Santa Fe and Southern Pacific, respectively. Major city traffic arterials provide direct access to State Route 17, which connects with the Richmond-San Rafael Bridge across upper San Francisco Bay on the west, and with the Interstate 80 Freeway to the east. All property acquisition, clearance and relocation activities have been completed, and those public facilities necessary for Project development have previously been installed, with the exception of the street improvements to be financed with portions of the proceeds of the Bonds now being offered. Of the 61.06 acres of land acquired by the Agency, 19.44 acres have been sold for private development and 30.83 acres remain to be sold. In addition, a 22 acre site is owned by Urban Fibre Industry, Inc. (a subsidiary of MacMillan Bloedel Limited, a major Canadian forest products firm), on which it proposes a paper de-inking and re-cycling plant. If constructed, this plant will represent an initial investment of approximately \$8 million, and an ultimate investment at full development of \$80 to \$100 million. Construction of the plant has not yet been approved by MacMillan Bloedel Limited, and no assessed valuations or potential Tax Revenues which might accrue from its development have been used in this official statement for purposes of estimating the retirement of the Bonds described herein.

Permitted land uses within the Project are restricted to industrial development (including a proposed Government Service Center for the City of Richmond). New construction within the Project represents a total investment of approximately \$11,200,000, which is reflected in the 1976/77 incremental assessed valuation of \$3,651,305. The Agency is actively soliciting additional development and anticipates that completion of the street improvements to be financed with Bond proceeds will serve to stimulate additional land sales. A summary of completed private development is presented on the following page.

The Agency has reserved a 21.43 acre site for sale to the City of Richmond for construction of a Government Service Center and Fire Training Center. These facilities will be constructed in final form when financing becomes available, and may be financed in part from the proceeds of an additional series of tax allocation bonds issued by the Agency on behalf of the Hensley Redevelopment Project.

HENSLEY REDEVELOPMENT PROJECT

Summary of Completed Development

Owner/Tenant	Use	Completed	Market Value
Electro Systems	Distributors	1965	\$ 253,000
Chevron Chemical Co., Ortho Division	Research	1966	8,939,755
Curtis Noll Corp.	Manufacturing	1966	183,760
Richmond Produce Co.	Distributors	1967	229,245
Richmond Produce Co.	Distributors	1976	170,000
Puritan-Bennett Corp.	Chemicals	1972	711,200
Fuller and Range Co., Inc.	Paper processing	1975	387,030
International Harvester Co.	Parts refurbishing	1967	364,740

Such bonds will be subject to the earnings test and other conditions precedent specified in the Resolution and discussed elsewhere herein (see page 8 hereof).

The 1977 Bond Project

Proceeds received from the sale of the 1977 Bonds now being offered will be used to finance the re-alignment and widening of Castro Street, which serves as a major access to the Project area, other street improvements, and to pay design and Phase 1 acquisition and construction costs of a proposed city government service center. Contracts for construction of the improvement projects will be let after the beginning of the next (1977/78) fiscal year, in accordance with approved capital expenditures programs of the city. Table 1 presents estimates prepared by the Agency and the city of the application of net Bond proceeds.

Environmental Considerations

The Redevelopment plan for the Hensley Redevelopment Project was originally adopted on February 29, 1960, and has been amended on four occasions (November 12, 1963 by Council Ordinance No. 24NS; May 24, 1965 my Ordinance No. 108NS; October 9, 1967 by Ordinance No. 231NS; and September 16, 1974 by Ordinance No. 41-74NS). With the exception of the latest amendment, these actions preceded the enactment of the California Environmental Quality Act (Public Re-

Table 1
HENSLEY REDEVELOPMENT PROJECT
Estimated Application of Net Bond Proceeds

Castro Street improvements .		\$1,677,548
North Richmond By-pass ..		304,000
Government Service Center		
Engineering, inspection		
and design	\$ 292,000	
Property acquisition	445,000	
Phase 1 construction	704,452	1,441,452
Estimated Net Bond		
Proceeds		\$3,423,000

sources Code of the State of California, Section 21000 et seq.) which was approved by the Governor and filed with the California Secretary of State September 18, 1970. Consequently no Environmental Impact Report was required by law (prior to the 1974 amendment to the Plan), and no such report was prepared or filed.

The amendment of the Project boundaries in 1974 did require an Environmental Impact Report, which was prepared and certified final by the Agency on September 10, 1974. The report found that the boundary amendment would not have a significant impact on the environment, and a Notice of Determination to such effect has been filed with the County Clerk. The period in which an action may be brought to challenge these proceedings has expired.

ESTIMATED TAX REVENUES AND BOND RETIREMENT

Estimated Tax Revenues

All Tax Revenues derived from the increased assessed valuation of land, improvements, public utility and all other taxable property in the Project over and above the frozen base roll for such property are to be deposited in the Hensley Project Special Fund to be established with the Fiscal Agent in connection with the issuance of the 1977 Bonds. The Fiscal Agent will apply the Tax Revenues to the payment of interest, principal, Sinking Account deposits and replenishment of the Reserve Account, if necessary, on or pertaining to the Bonds.

When the Project was established in 1960, the assessed valuation of existing property amounted to \$234,125, which became the frozen base (as subsequently revised to reflect boundary changes of the Project area and acquisition of land for public use). As the Agency acquired property for reparceling, sale and redevelopment, the assessed valuation declined below the frozen base. In the 1966/67 fiscal year, the growing volume of new construction produced the first increase in assessed valuation above the base year valuation. Assessed valuations have continued to grow through the current 1976/77 fiscal year, and are expected to exhibit additional growth in subsequent years. However, no further increases are projected for purposes of this official statement. In addition, a portion of Bond proceeds will be used to acquire a 21.43 acre site for the proposed City Government Service Center. When this property is removed from the tax rolls for permanent public use, the county will reduce the frozen base assessed valuation by an equivalent amount, thus permitting the generation of Tax Revenues from a smaller base (equivalent to an increase in the incremental assessed valuation). This eventuality also is not considered herein.

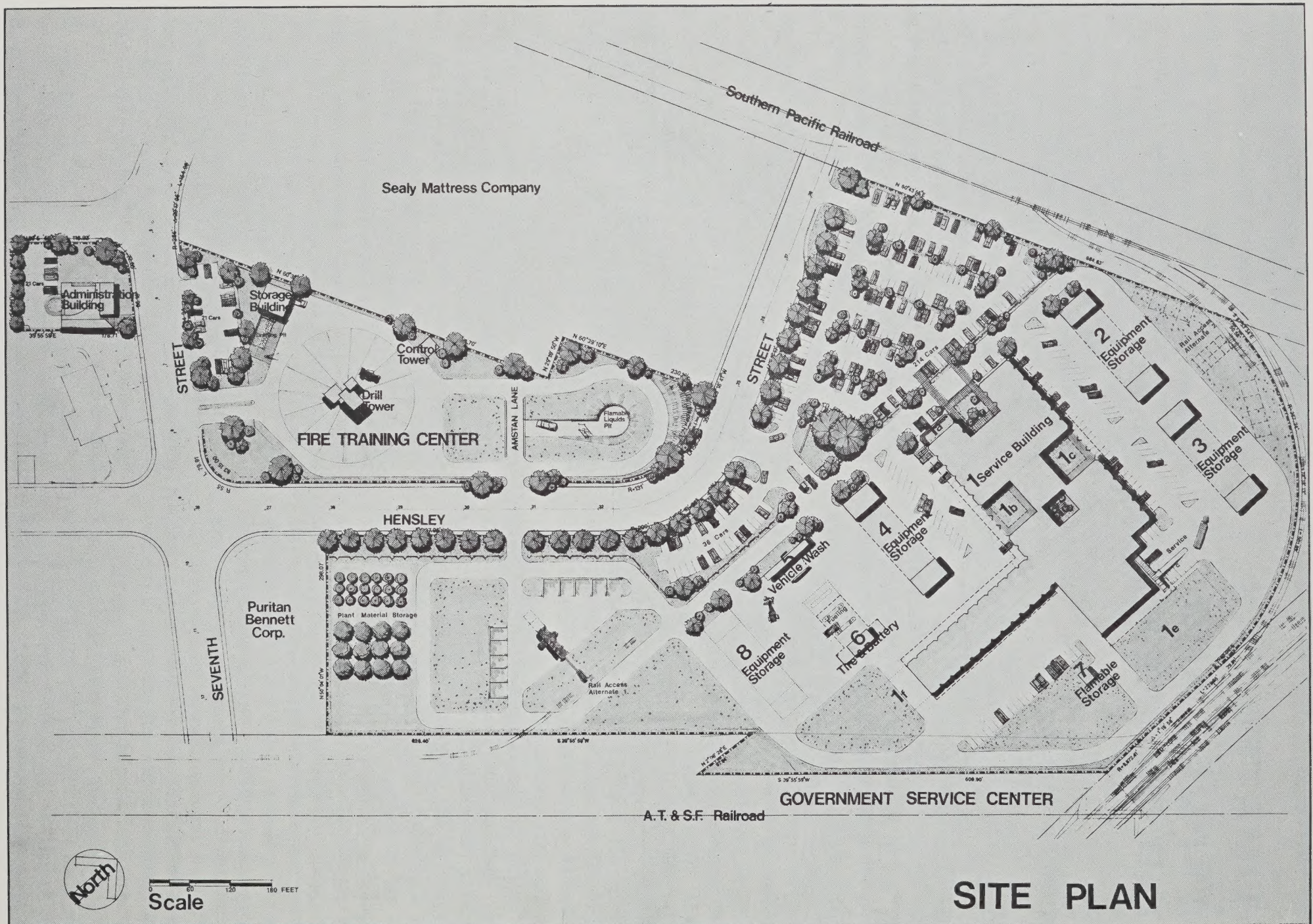
The 1976/77 total Project assessed valuation of \$3,885,430 represents an increase of \$3,651,305 over the base year valuation of \$234,125 (as adjusted). Actual Tax Revenues to be received in the current fiscal year amount to \$498,476, as reported

by the County Auditor-Controller. Apportionments are made by the county on December 10, 1976 (65%) and April 10, 1977 (35%).

As indicated in Table 3, the debt retirement schedule is based on a continuation of present tax increment revenues from the Project without provision for future increases that are expected to occur. Although each annual levy of property taxes is made at the then applicable rate, the estimated debt retirement schedule presented in Table 3, page 26, is based on total tax rates in effect for the 1976/77 fiscal year. Since the passage of state property tax reform legislation which imposed tax rate limits and transferred certain costs from local government to the state level, tax rates applicable to property located in the Project have declined somewhat from the highest level in 1971/72. Moreover, the outcome of litigation affecting the constitutionality of financing public education or future tax reform proposals might bring about further reductions in property tax rates (as discussed in the subsection entitled "Property Tax Rate Limitations and Exemptions" commencing on page 7 of this official statement). For these reasons, the financing program has been designed in such a manner that total tax rates could be reduced by at least 20 percent, and the Bonds will still be retired at or before maturity. Consequently, Bond terms provide a margin of safety in the event of any subsequent reduction in Tax Revenues.

The Project is composed of two tax code areas with slightly different total tax rates. Tax code area 8035 represents approximately .67 percent of the total current Project assessed valuation, and carries an aggregate 1976/77 tax rate of \$13.774 per \$100 assessed valuation. The remaining 99.33 percent of the assessed valuation makes up tax code area 8085, with a \$13.652 tax rate. Tax collections are paid to local taxing agencies (and redevelopment agencies) by the county in two installments each fiscal year: 65% on December 10 and 35% on April 10. Under the provisions of Sections 4701 *et seq.* of the California Revenue and Taxation Code, taxing agencies receive 100 percent of their tax levies each year (as discussed in a following section of this official statement), and the timing of county apportionments assures the availability of the Tax Revenues in sufficient time to meet interest payments and principal redemptions.

Since assessed valuations of the Project are assumed to remain constant in future years, no projections of such valuations are included in this offi-



Vertical rendering of proposed Government Service Center and Fire Training Center to be constructed within the Hensley Redevelopment Project.

cial statement. As stated above, the schedule of estimated debt retirement for the outstanding 1977 Bonds now being offered for sale is based on present tax rates and assessed valuations. Table 2 presents the history of incremental assessed valuations and Tax Revenues of the Project area since 1966/67, the first year in which the assessed valuation was reported by the county. In the years prior to 1970/71, the City of Richmond assessed property separately from the county at various higher ratios to county assessments of the same property, and levied and collected all taxes for city purposes. Between 1962/63 and 1969/70 city tax rates varied from \$2.10 to \$2.99 per \$100 assessed valuation as established by the city. For purposes of consistency, the data presented in Table 2 excludes valuations and tax rates established separately by the city, and the revenues derived therefrom. Commencing in 1970/71, the city began utilizing the services of Contra Costa County for the assessment of property and the levy and collection of city taxes. Valuations are now uniform for all taxing purposes, permitting city tax rates to be included in 1970/71 and following years. Tax Revenues received through 1975/76 have been applied by the Agency directly towards Project-related costs. Following issuance of the Bonds described herein, such Revenues will be deposited with the Fiscal Agent for the benefit of the Bondholders.

Estimated Bond Retirement

Under the provisions of the Resolution, the Bonds will mature serially each April 1 in the years 1978 through and including 1989 in the amounts specified in "The Bonds" section of this official statement, and in the aggregate principal amount of \$2,335,000 maturing on April 1, 1997 (subject to minimum Sinking Account payments). As stated above and elsewhere herein, the Resolution permits withdrawal by the Agency of excess Tax Revenues from the Special Fund, subject to stated coverage requirements and other conditions precedent. The provisions of the Resolution require that the Fiscal Agent shall retain and accumulate each year in the Special Fund an amount equal to one and twenty-five hundredths (1.25) times Bond interest and principal (including minimum Sinking Account deposits) coming due within the then current fiscal year before any disbursements may be made to the Agency. The 25 percent retention (after debt service payments) is to be held by the Fiscal Agent and applied to redemption of Term Bonds maturing April 1, 1997 to

Table 2

HENSLEY REDEVELOPMENT PROJECT **Incremental Assessed Valuations and** **Tax Increment Revenues^①**

Fiscal Year	Incremental Valuation	Incremental Revenues
1966/67	\$ 560,240	\$ 22,499
1967/68	550,760	46,787
1968/69	625,070	53,456
1969/70	647,620	64,904
1970/71	731,459	105,783
1971/72	834,144	125,338
1972/73	936,465	137,539
1973/74	2,124,350	311,939
1974/75	2,386,375	343,614
1975/76	3,149,675	437,017
1976/77	3,651,305	498,476

① As reported by the County Auditor-Controller.

the extent available, on the earliest call date (April 1, 1990), under the conditions specified in the Resolution. No such transfers of surplus may be made to the Agency unless the required deposits have been made to the Interest, Principal, Reserve and Sinking Accounts.

On the basis of current property tax rates applicable to, and the assessed valuation of, the Project, it is estimated that the entire issue of 1977 Tax Allocation Bonds may be retired by 1992 under the Estimated Debt Retirement Schedule presented in Table 3 on page 26, or five years prior to their final maturity date of 1997 (assuming the Agency applies all Tax Revenues and moneys in the Special Fund to the redemption of Term Bonds in each year after 1989, and does not make any permitted withdrawals from the Special Fund after such date).

At the current level of Tax Revenues, it appears that such Revenues will cover maximum annual debt service on the Serial Bonds (estimated at \$399,012) by about 1.25 times.

Should the Agency issue any additional series of authorized Bonds, there is no assurance that the Term Bonds will, in fact, be retired in 1992. However, the conditions under which such Additional Bonds may be issued are designed and intended to prevent the dilution of the security afforded the holder of any of the then outstanding Bonds, and to assure payment by the established maturity date.

The Agency has no plans to issue additional bonds on behalf of the Project until the incremental assessed valuation will support the additional indebtedness, and until the conditions precedent can be met (see page 8 hereof).

Table 3 does not reflect the initial deposit into the Reserve Account of the Minimum Reserve (assumed maximum annual debt service on the Bonds), since this amount is to be retained therein and, unless needed to cover any unanticipated deficiency in the Tax Revenues, will not be used until applied to the last payment of interest and principal on the 1977 Bonds (or additional bonds).

The estimates presented in Table 3 do not take into account interest earnings on the Redevelopment Fund or the Special Fund which in practice

will be invested in accordance with the provisions of the Resolution. To the extent that such investment income is available (particularly Sinking Account investments), the retirement of principal through purchase or call may be accelerated over the retirement schedules presented in Table 3.

Estimated Tax Revenues are believed to be sufficient to meet all interest and principal requirements on the Bonds at the present level of Project development. It is believed that the Project is fully self-supporting (as to the payment of interest and principal on the 1977 Bonds) from Tax Revenues that will be derived from the current 1976/77 assessed valuation of the Project and at the 1976/77 aggregate tax rate applicable to property located within the Project.

Table 3
RICHMOND REDEVELOPMENT AGENCY
\$4,110,000 Hensley Redevelopment Project, 1977 Tax Allocation Bonds
Estimated Debt Retirement and Cash Flow Schedule

Year Ending April 1	Estimated Tax Revenues①	Bonds Outstanding	Interest Estimated @ 7¼ %	Principal Retired	Premium for Redemption of Callable Bonds		Total Bond Service	Cumulative Balance in Special Fund②
					Percent	Amount		
Serial Bonds:								
1978	\$498,400	\$4,110,000	\$ 297,975	\$ 95,000			\$ 392,975	\$ 105,425
1979	498,400	4,015,000	291,088	105,000			396,088	207,737
1980	498,400	3,910,000	283,475	110,000			393,475	312,662
1981	498,400	3,800,000	275,500	120,000			395,500	415,562
1982	498,400	3,680,000	266,800	130,000			396,800	517,162
1983	498,400	3,550,000	257,375	140,000			397,375	618,187
1984	498,400	3,410,000	247,225	150,000			397,225	719,362
1985	498,400	3,260,000	236,350	160,000			396,350	821,412
1986	498,400	3,100,000	224,750	170,000			394,750	925,062
1987	498,400	2,930,000	212,425	185,000			397,425	1,026,037
1988	498,400	2,745,000	199,012	200,000			399,012	1,125,425
1989	498,400	2,545,000	184,513	210,000			394,513	1,229,312
Subtotal .				\$1,775,000				
Term Bonds:								
1990	498,400	2,335,000	169,287	\$1,510,000	3 %	\$45,300	\$1,724,587	\$ 3,125
1991	498,400	825,000	59,813	430,000	2½	10,750	500,563	962
1992	498,400	395,000	28,637	395,000	2	7,900	431,537	67,825③
Subtotal .				\$2,335,000				
Totals ...			\$3,234,225	\$4,110,000		\$63,950	\$7,408,175	

① Based on Tax Revenues currently being generated by the Project, with no allowance for any increases which may result from new development, reassessment of existing property or reduction of frozen base valuation (from transfer of property to public use).

② On the average, provides for required retention of 25% of annual debt service in the Special Fund each year. Assumes full application of such cumulative balance and subsequent years Tax Revenues to redemption of Term Bonds after 1989. Does not reflect permitted application of Reserve Account balance to final interest and/or principal payments, nor are interest earnings on any invested funds included in Table 3.

③ Available for distribution to other taxing agencies, to repay additional city advances to the Project, or to meet interest and principal payments on additional bonds, if any. Pledge of Tax Revenues is irrevocable until Bonds of all series are retired or payment in full is provided for.

CITY FINANCIAL DATA

The Bonds are not a debt of the City of Richmond and the following city financial data are included only for the purposes of providing general information.

Assessed Valuation

The City of Richmond utilizes the facilities of Contra Costa County for the assessment and collection of taxes for City purposes. City taxes are assessed and collected at the same time and on the same tax rolls as are county, school, and special district taxes. Taxes are payable in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. Taxes on unsecured property are assessed on each March 1, and become delinquent the next following August 31.

The State Board of Equalization reports the 1976/77 Contra Costa County valuation to average 22.8 percent of full value. Public utility property, which is assessed by the state, is reported to be assessed at 25.0 percent of full value. The assessment ratios for locally and state assessed property for the previous fiscal year (1975/76) were 26.1 and 25.0 percent, respectively.

Under amendments adopted in 1968 to the Constitution and Statutes of the State of California, two types of exemptions of property from ad valorem taxes were authorized beginning in the taxable year 1969/1970. The first of these exempts 50 percent of the assessed valuation of business inventories from taxation. The second provides for exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor. Revenue estimated to be lost to local taxing agencies due to such exemptions, however, is to be reimbursed from state sources. Such reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated delinquencies.

The tabulation at the bottom of this page presents the 1976/77 assessed valuation of the City of Richmond before and after giving effect to these exemptions.

The summary on the following page shows the growth in assessed valuation of the City of Richmond before deduction of the State-reimbursed exemptions for the most recent five fiscal years, as reported by the County Auditor for the respective years. Approximately 2 percent of the city's 1976/77 assessed valuation is represented by incremental assessed valuations arising from redevelopment activities.

The city is divided into four tax districts. Tax District 1, with a 1976/77 assessed valuation of \$408,785,294, contains approximately 84.2 percent of the city's total assessed valuation. The other tax districts, with percentage shares of total assessed val-

CITY OF RICHMOND

1976/77 Assessed Valuation

Assessment Roll	Net Assessed Valuation	State-reimbursed Exemptions	Assessed Valuation for Revenue Purposes
Secured	\$359,446,578	\$46,438,097	\$405,884,675
Utility	18,371,730		18,371,730
Unsecured	51,519,969	10,660,545	62,180,514
Total	\$429,338,277	\$57,098,642	\$486,436,919 ^①

① Includes \$10,781,577 of incremental assessed valuations within the Agency's currently active redevelopment projects. Property taxes levied against such valuations are paid to the Agency, and are not available to the City of Richmond or other overlapping taxing entities.

Source: Contra Costa County Auditor.

uation, are Tax District 3 (4.7%), Tax District 5 (0.1%), and Tax District 6 (11.0%).

CITY OF RICHMOND
Assessed Valuations

Fiscal Year	
1972/73	\$326,528,166
1973/74	347,633,646
1974/75	357,936,436
1975/76	422,284,102
1976/77	486,436,919

Tax Rates

The city’s 1976/77 tax rates by tax district and by component are shown immediately below. The middle tabulation presents a history of city tax rates in the four tax districts from 1972/73 to date. Tax rate data are reported annually by the County Auditor.

Tax Code Area 8001 (1976/77 assessed valuation \$384,263,411) contains over 78 percent of the city’s total assessed valuation. A history of all tax rates in this code area for the past five years is shown at the bottom of the page.

CITY OF RICHMOND
1976/77 City Tax Rates by Tax District

	Tax District 1	Tax District 3	Tax District 5	Tax District 6
General	\$2.073	\$2.052	\$2.023	\$2.012
Pension	.806	.806	.806	.806
Storm Drain Construction	.042	.042	.042	.042
Municipal Sewer District No. 1 Bonds	.149	—	.149	—
Total	\$3.070	\$2.900	\$3.020	\$2.860

Source: City Finance Department.

History of City Tax Rates

	1972/73	1973/74	1974/75	1975/76	1976/77
Tax District 1	\$3.120	\$3.120	\$3.120	\$3.100	\$3.070
Tax District 3	2.950	2.950	2.950	2.930	2.900
Tax District 5	3.070	3.070	3.070	3.050	3.020
Tax District 6	2.910	2.910	2.910	2.890	2.860

Source: Contra Costa County Auditor.

Tax Code Area 8001 Record of All Tax Rates

	1972/73	1973/74	1974/75	1975/76	1976/77
Contra Costa County	\$ 2.662	\$ 2.659	\$ 2.604	\$ 2.678	\$ 2.571
City of Richmond①	3.120	3.120	3.120	3.100	3.070
Schools	7.470	7.478	7.035	6.645	6.429
Special Districts	1.435	1.427	1.640	1.454	1.582
Total	\$14.687	\$14.684	\$14.399	\$13.877	\$13.652

① Tax District 1.
Source: Contra Costa County Auditor.

Largest Property Taxpayers

The twelve largest taxpayers in the City of Richmond, in terms of assessed valuation, are listed in the following tabulation. In the aggregate, property assessed against these twelve taxpayers represents 50.6 percent of the city's 1976/77 assessed valuation. Only property owned by Standard Oil Company of California exceeds 10 percent of the assessed valuation of the city. Property carried on the utility rolls is not reflected in the list of major taxpayers since such property is not individually identified on county tax records. It is believed, however, that the major utility taxpayers in the city are Pacific Gas and Electric Company, Pacific Telephone Company, Southern Pacific Transportation Company, and Santa Fe Railway (Santa Fe Industries). All utility property represents 3.8 percent of the city's 1976/77 assessed valuation.

LARGEST TAXPAYERS

	Assessed Valuation
Standard Oil Company of California .	\$169,210,475
Chevron Companies	21,214,695
Safeway Stores Inc.	15,400,810
Social Security Payments Center	7,800,000
Stauffer Chemical Company	6,401,415
Bethlehem Steel	5,704,470
Hilltop Shopping Center	5,084,850
United Grocers Ltd.	3,801,290
Ford Motor Company	3,576,380
Union Oil Terminal	2,875,705
PVO International	2,603,990
Atlantic Richfield Company	2,519,500
	\$246,193,580

Source: Contra Costa County Assessor.

Tax Levies and Delinquencies

Contra Costa County operates under provisions of Revenue and Taxation Code Sections 4701-4716 by which cities in the county may receive their total secured tax levies regardless of actual payments and delinquencies. The county establishes a delinquency reserve and assumes responsibility for all secured delinquencies.

Because of this method of tax collection, the City of Richmond is assured of 100% collection of its annual tax levy. Although the city does receive its

entire levy amount each year, an indication of tax collections can be obtained from the history of collections of all entities levying taxes within the city limits. A five-year history of these collections and the entire Contra Costa County tax levies with delinquencies and guarantee fund cash balances for five years are shown in the two tabulations on the following page, as reported annually by the County Auditor.

City Retirement Plans

Eligible employees of the City and the Agency participate in one of three retirement benefit plans. The majority of eligible employees (283 Public Safety and 439 Miscellaneous employees) are covered under a defined benefit pension plan which is administered in accordance with a contract between the City and the State of California Public Employees Retirement System ("PERS"). PERS is a state-wide system operated pursuant to Title 2, Division 5, Part 3 of the Government Code. State law requires that PERS undergo actuarial review not less often than every fourth year. Benefit Technology (formerly Actuarial Systems, Inc.), independent actuaries and consultants, has completed a review of PERS' actuarial experience for the four-year period ending June 30, 1973. The most recent actuarial valuation of PERS was made as of June 30, 1975 by the State's Actuarial Division. The state report identified an "unfunded supplemental liability" of \$1,271,956,710, as of June 30, 1975, for the local miscellaneous employees group, which would include employees of the city, except public safety personnel. As of June 30, 1975, the "unfunded supplemental liability" for all other member groups (State Miscellaneous, State Safety, Highway Patrol, Local Safety and County Schools), was \$5,822,022,351. The report includes a discussion of new actuarial assumptions to provide for amortization of unfunded liabilities in the various member groups within PERS. Additional information is available from State of California Public Employees' Retirement System, 1416 Ninth Street, Sacramento, California 95184.

State law provides that, when rendered necessary by changes in benefits or by periodic actuarial review, PERS may modify the amounts of annual pension contributions by agencies contracting with it.

The city reports that contributions to PERS for the 1974/75 and 1975/76 fiscal years amounted to \$1,460,298 and \$1,688,794, respectively, which in-

CITY OF RICHMOND

Total Secured Tax Levies and Delinquencies①

Fiscal Year	Total Secured Tax Levy	Amount Delinquent June 30	Percent Delinquent June 30
1971/72	\$8,164,822	\$104,271	1.28%
1972/73	8,337,736	111,199	1.33
1973/74	8,172,994	89,696	1.10
1974/75	8,427,501	113,868	1.35
1975/76	9,752,862	85,078	.87

① Excludes state reimbursed exemptions.

CONTRA COSTA COUNTY

Tax Levies, Collections, and Guarantee Fund Balances

Fiscal Year	Total Secured Tax Levy	Amount Delinquent June 30	Percent Delinquent June 30	Guarantee Fund Cash Balance June 30
1971/72	\$223,579,827	\$4,058,140	1.82%	\$4,965,476
1972/73	235,709,379	3,896,245	1.65	5,645,668
1973/74	239,381,720	3,749,301	1.56	6,692,028
1974/75	261,860,435	5,283,952	2.01	7,515,195
1975/76	290,128,126	5,120,237	1.76	8,612,344

clude amortization of current and past service costs by July 1, 1989 for Public Safety members and July 1, 2000 for other members. Pension costs are funded by monthly contributions to PERS, amounting to 21.421% of total payroll for Public Safety members and 11.420% for the active Miscellaneous membership. The excess, if any, of the actuarially computed value of vested benefits over the amounts available in the pension fund for public safety and other employees was not determined as of the June 30, 1975 state report.

Two additional pension funds are administered by the City of Richmond. The first of these relates to police and fire personnel employed prior to October 16, 1964. Presently all but 31 of these employees are retired, and approximately 185 are annuitants dependents or survivors. The City is meeting all but a nominal portion of the annual liability on a pay-as-you-go basis. Pension payments amounting to \$1,778,239 were made in the 1975/76 fiscal year. An actuarial survey of the Police and Fireman's

Pension Fund was prepared as of October 1, 1976 by William M. Mercer, Inc., Consulting Actuaries, San Francisco, and reported an actuarial deficit of \$42,816,449. Since benefits are provided on a pay-as-you-go basis, the actuarial deficit may be considered as the current cash payment which would, with matching contributions by currently active employees and the city, fully provide for future benefit payments if all actuarial assumptions in the report are realized.

The General Pension Fund is administered by the City for other employees who do not avail themselves of PERS. At present only 34 active employees are participating in this plan, and 88 are annuitants. At June 30, 1976, the City reported total cash and investments (at cost) of \$4,267,021 in the General Pension Fund. Pension payments amounting to \$381,773 were made during the 1975/76 fiscal year. An actuarial survey of this pension fund was prepared as of September 30, 1976 by William M. Mercer, Inc., Consulting Actuaries, San Francisco, and

was submitted in December of 1976. The report concluded that an unfunded liability of \$2,112,166 existed, and recommended that the city liquidate the unfunded liability by July 1, 1993 through semi-annual contributions of \$109,995 to the General Pension Fund. Final action on the recommendations has not been taken by the City Council as of the date of this official statement.

Revenues, Expenditures and Fund Balances

Table 4 below presents a summary of the revenues and expenditures of the City of Richmond, as com-

piled from annual audits prepared by an independent Certified Public Accountant retained by the city. Table 5, on page 32, presents the city's balance sheet as of June 30, 1976. The data set forth in Tables 4 and 5 does not purport to be complete, and reference is hereby made to audit reports for the indicated years on file with the City Director of Finance for complete information.

City General Fund cash balances at June 30, 1975 were \$2,083,239, compared with \$1,982,140 at June 30, 1976.

Table 4

CITY OF RICHMOND

Summary of Receipts and Expenditures^①

	1971/72	1972/73	1973/74	1974/75	1975/76
Receipts:					
Property taxes	\$ 9,666,416	\$ 9,963,472	\$10,423,760	\$10,765,374	\$12,801,115
Sales and other taxes	2,130,346	2,180,461	3,139,123	2,890,865	3,302,023
Franchises	309,131	329,768	364,500	493,190	622,089
Licenses and permits	266,647	286,716	306,250	318,448	379,756
Fines and penalties	167,952	189,688	188,756	236,710	323,864
Use of money and property ...	1,214,297	1,362,129	2,211,423	3,276,918	2,935,151
From other agencies	6,940,154	9,914,497	7,873,437	9,830,126	10,707,012
Services charges	377,245	394,424	466,556	389,433	587,476
Sewer service charges and connection fees	642,606	653,492	677,322	719,849	1,078,044
Other	2,173,140	961,034	14,924,056 ^②	2,080,906	2,832,945
Total Receipts	\$23,887,934	\$26,235,681	\$40,575,183	\$31,001,819	\$35,569,475
Expenditures:					
General government	\$ 7,330,819	\$ 8,253,849	\$ 8,371,363	\$11,390,664	\$12,563,661
Public safety	5,781,578	6,226,867	6,627,542	7,569,339	8,533,526
Public works	6,036,184	3,558,998	10,695,816	11,835,362	6,896,619
Wastewater division	567,376	639,908	681,375	902,224	956,733
Libraries	583,738	650,700	677,461	786,634	909,295
Recreation	1,497,859	1,615,371	1,754,603	1,926,475	2,015,446
Capital improvement fund	853,973	655,115	754,001	1,138,645	2,689,468
Total Expenditures^③ ...	\$22,651,547	\$21,600,808	\$29,562,161	\$35,549,343	\$34,564,748

① Excludes non-budgetary receipts and expenditures.

② Includes \$14,141,286 of assessment bond proceeds.

③ Includes capital outlays made from aids, grants, retained funds, and special assessment bond proceeds.

Note: Summary compiled from independent audit reports prepared for the city.

Table 5

CITY OF RICHMOND

Summary of Combined Balance Sheet—All Funds

June 30, 1976

ASSETS

Cash	\$ 9,467,183
Investments (at cost)	4,155,630
Advances, deferrals, inventories and receivables	1,311,864
Amount to be provided for loans, contracts payable and bonds outstanding	25,612,321
Property, plant and equipment	50,107,173
TOTAL ASSETS	\$90,654,171

LIABILITIES, RESERVES AND FUND BALANCES

Current liabilities	\$ 393,258
Loans, contracts and bonds outstanding (long-term)	28,247,562
Reserves	1,992,947
Fund balances	60,020,404
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	\$90,654,171

Note: Summarized from 1975/76 city audit report.

Direct and Overlapping Bonded Debt

As of the date of this official statement, the City of Richmond has no outstanding general obligation bonds. On June 15, 1976, the city retired the final maturity of general obligation bonds issued in 1945 to finance the Richmond Civic Center Complex in the original principal amount of \$3,850,000. However the City of Richmond Municipal Sewer District No. 1 (M.S.D. No. 1) currently has outstanding \$5,030,000 of general obligation bonds issued in four series between 1957 and 1968 to finance the construction of sewers and sewage treatment facilities to serve a portion of the City. Municipal Sewer District No. 1 was formed by the Richmond City Council in 1956, and all administrative and operating functions are carried out by the City Council and Staff. Approximately 84 percent of the city's assessed valuation is located within, and comprises the District. The \$5,030,000 of outstanding bonds of the District represent the remaining unpaid balance of the \$8,000,000 aggregate principal amount authorized and issued. The final maturity date is June 15, 1993. The tabulation on the next page presents annual debt service requirements on all outstanding bonds of M.S.D. No. 1 through final maturity in 1993.

The tabulation on page 34 presents a statement of the city's direct and overlapping bonded debt as of March 28, 1977. Redevelopment projects in the city will, to the extent of their frozen base assessed valuations, continue to contribute their proportionate share of taxes towards servicing the indicated indebtedness. As any advances, indebtedness or other obligations of the respective redevelopment projects are extinguished, taxes levied against the total assessed valuations (frozen base plus increment) will be paid to the various taxing entities. Five of the nine redevelopment projects have fully repaid all such indebtedness. Since tax allocation bonds do not constitute an indebtedness within state constitutional or statutory debt limits, neither the outstanding tax allocation bonds of the Agency nor those now being offered for sale are reflected in the following Statement of Direct and Estimated Overlapping Bonded Debt. As indicated in the footnotes to the following statement, the City of Richmond has a contingent liability to levy a city-wide property tax of up to (but not exceeding) 10 cents per \$100 assessed valuation to meet annual debt service requirements on all or any part of \$18,597,044 principal amount of outstanding special assessment bonds issued under the provisions of the Improvement Bond Act of

1915 (California Streets and Highways Code, Section 8500 et seq.), in the event of default in the payment of individual assessments by property owners. The contingent liability to levy the limited property tax becomes operative only if proceeds received from sale of defaulted property and appli-

cation of reserves are not sufficient to cure defaulted assessment payments. All outstanding 1915 Act assessment bonds were issued to finance public improvements benefiting the Hilltop Shopping Center (as hereinafter described) and peripheral developments.

RICHMOND MUNICIPAL SEWER DISTRICT NO. 1

Schedule of Combined Future Debt Service Requirements by Fiscal Years

Fiscal Year	Principal	Interest	Total
1976/77	\$ 260,000.00 ^①	\$ 224,772.50	\$ 484,772.50
1977/78	275,000.00	213,785.00	488,785.00
1978/79	285,000.00	202,250.00	487,250.00
1979/80	295,000.00	190,290.00	485,290.00
1980/81	310,000.00	177,720.00	487,720.00
1981/82	320,000.00	164,625.00	484,625.00
1982/83	340,000.00	151,010.00	491,010.00
1983/84	350,000.00	136,650.00	486,650.00
1984/85	370,000.00	121,650.00	491,650.00
1985/86	380,000.00	105,725.00	485,725.00
1986/87	405,000.00	89,005.00	494,005.00
1987/88	415,000.00	71,285.00	486,285.00
1988/89	250,000.00	53,025.00	303,025.00
1989/90	265,000.00	41,845.00	306,845.00
1990/91	275,000.00	30,292.50	305,292.50
1991/92	210,000.00	19,780.00	229,780.00
1992/93	220,000.00	10,120.00	230,120.00
Total	\$5,225,000.00	\$2,003,830.00	\$7,228,830.00

① A \$40,000 principal payment was made on July 15, 1976, and \$155,000 on January 15, 1977.



Administration building of the Richmond Redevelopment Agency is located in the Downtown Project (Area 10-A).

Table 6

CITY OF RICHMOND

Statement of Direct and Estimated Overlapping Bonded Debt

Estimated Population (January 1977)	79,810	
1976/77 Assessed Valuation	\$ 486,436,919	
Estimated Market Value	\$2,126,000,000 ^①	

	Percent Applicable	Debt Applicable March 28, 1977 ^②
San Francisco Bay Area Rapid Transit Dist.	4.295%	\$31,715,354
Contra Costa Co. & Authorities	15.032	490,567
Alameda-Contra Costa Transit Spec. Serv. Dist. #1	11.568	543,696
East Bay Municipal Utility Dist.	10.109	14,395,316
East Bay Mun. Utility Dist., Spec. D#1	.765	243,002
Contra Costa Community College (Authority)	15.039	386,477
Richmond Unified and High School Districts	60.157-60.360	5,652,627
Other School Districts	Various	238,882
Richmond Mun. Sewer Dist. #1	100.	5,030,000
San Pablo and Stege Sanitary Districts	Various	1,631,103
Total Gross Direct and Overlapping Bonded Debt		\$60,327,024
Less: East Bay Municipal Utility District (100% self-supporting) and Special District No. 1 (44% self-supporting)		14,502,237
Total Net Direct and Overlapping Bonded Debt		<u>\$45,824,787</u>

	Ratio To		
	1976/77 Assessed Valuation	Estimated Market Value	Per Capita
Assessed Valuation	—	—	\$6,095
Total Direct Debt	0	0	0
Gross Direct and Overlapping Debt	12.40%	2.84%	756
Net Direct and Overlapping Debt	9.42	2.16	574

① At assessment ratios discussed on page 27 of this official statement.

② Excludes \$18,597,044 of assessment bonds issued under the Improvement Bond Act of 1915, for which the city is contingently liable in the event of default in the payment of individual assessments. Also excludes city's share of Contra Costa County lease-purchase obligations (\$1,316,763), and all revenue bonds and tax allocation bonds. City's share of state school building aid repayable as of June 30, 1976 amounted to \$6,785,584. Excludes sales and retirements, if any, between March 28, 1977 and April 4, 1977 (\$1,100,000 of Parking Lease Revenue Bonds are to be sold by the Parking Authority of the City of Richmond on March 28, 1977).

NOTE: Information pertaining to percentages and amounts of applicable debt obtained from data compiled by California Municipal Statistics, Inc., San Francisco, California. Sources of other data identified elsewhere in this official statement, or derived from arithmetic computation.

THE CITY

Richmond, a chartered city incorporated in 1905, is located 16 miles northeast of San Francisco on the western shore of Contra Costa County. It is an important oil refining, industrial, commercial, transportation, and shipping center, occupying more than 54 square miles on a peninsula that separates San Francisco and San Pablo Bays.

The city operates under the council-manager system, with a governing body of nine members elected at large to alternating six year terms. Council members select the mayor from among their number, and also appoint the city manager.

The present City Manager, Mr. Kenneth H. Smith, has functioned in this capacity since 1967. With the exception of the city clerk and the city attorney, who are appointed by the council, all city department heads are appointed by and report to the city manager.

The Civic Center is a modern complex covering six square blocks in the center of the city. The City Hall, Hall of Justice, Library, Memorial Auditorium, and Art Center comprise a municipal government center which has received national awards and international recognition for architectural excellence and functional design.

Population, Housing, and Income

The city's population at January 1, 1977 was 79,810, according to the Richmond Planning Department. This is an increase of 767 from the 1970 U.S. Census. Contributing to the modest population increase has been the removal of crowded, substantial housing and replacement with low-density dwellings, parks and open space. The ongoing redevelopment of the central business district, the location of major federal installations in the city, and accelerated commercial development (see Employment) are expected to lead to substantial population growth in the future.

Following is the pattern of population growth for the city and for the county, as reported for the most recent U.S. Census periods.

Population City and County

Census	City of Richmond	Contra Costa County
1940	23,642	100,450
1950	99,545	298,984
1960	71,854	409,030
1970	79,043	556,116

Of 26,931 housing units in the city reported by the 1970 Census of Housing, about 58 percent were owner-occupied. Median home value was \$20,000, and the average rental was \$101 per month.

A special city-wide census in April 1975 reported a median income of \$10,353 for all families and unrelated individuals, compared with \$8,778 in April 1970. The average household size was 2.7, a drop from 1970's 3.0. The number of housing units for 1975 was not reported.

Employment

Contra Costa County, one of the 27 original counties of California, is also one of the most diversified. It covers 802 square miles of land and water north and east of Alameda County. Population as of July 1976 was estimated at 597,500. The county fronts on San Francisco, San Pablo, and Suisun Bays, Carquinez Strait and the San Joaquin River, with more than 70 miles of shoreline accessible to ocean transport. It is ideally situated for light and heavy industry.

In Contra Costa County, government at all levels is the principal source of employment, accounting for over 25 percent of jobs and payrolls. The next most important sources of jobs are retail trade, manufacturing, and services, as shown in the summary of employment by employers, employees, and quarterly wages on page 37.

Contra Costa County forms part of the five-county San Francisco-Oakland Labor Market Area, reported on a monthly basis by the State Department of Employment Development. As of November 1976, total wage and salary workers in nonagricultural establishments for this metropolitan area numbered 1,339,000, compared with 1,325,100 the previous November. Trade, government, services, and manufacturing were the principal employment groups, with services gaining 5,300 workers during the year. The unemployment rate was 10.6 percent, compared with 11.9 percent in November 1975.



Extensive petroleum storage, refining and production facilities of Standard Oil Company of California are located in the City of Richmond. Nearby are the facilities of the Chevron Ortho Division and other industries in the Hensley Redevelopment Project.

New major construction projects in Richmond have resulted in substantial Federal government and trade employment gains in the city. The \$40 million U. S. Postal Service San Francisco Area Bulk Mail Center on Pt. Isabel in Richmond was completed in early 1976. The facility handles second, third and fourth class mail for Northern California and Western Nevada, employing 700 full-time and 180 part-time personnel.

The \$30 million Social Security Administration's Western Regional Program Center in downtown Richmond opened in mid-1976 and employs an estimated 2,000 persons. At a later date, the government intends to add three stories to the building and increase the number of employees by 1,000. The privately financed and owned structures in the center will be leased to the federal government for 30 years, during which time the buildings will be on the local tax rolls.

In August 1976 a \$60 million regional shopping center opened for business in Richmond. The developer estimates that 3,000 permanent employees will be required to operate this commercial complex at full development. Three major department stores are now open as are many of the mall shops. (See "Commerce.")

The largest employers in Richmond are Standard Oil Company of California, Safeway Stores, Chevron Research, and the Richmond Unified School District. A list of the largest employers in the city appears on page 38.

Many residents of the city commute to jobs in San Francisco, Oakland, or other employment centers in the Bay Area on the Bay Area Rapid Transit System (BART). This system is described in a following section of this official statement.

Industry

A highly diversified industrial city, Richmond is the home of the largest oil refinery in the West. Principal industries in the city are petroleum, chemicals, metal fabrication, electronics, processed foods, and transportation equipment. There are 270 manufacturing plants in the community area.

More than 2,400 persons are employed at the Richmond refinery of the Standard Oil Co. of California, drawing an annual payroll in excess of \$25 million. Capital value per employee for the 2,800-acre site and improvements is over \$225,000. Approximately 70 percent of the refinery's 1,200 products are gasolines and other propellant fuels.

CONTRA COSTA COUNTY

Employment By Industry^①

Industry	Number of Reporting Units	Number of Employees	Total Quarterly Wages
Agriculture	389	3,350	\$ 5,078,497
Mineral extraction	14	321	1,333,004
Construction	913	10,896	36,835,954
Manufacturing	439	25,633	87,451,992
Transportation, utilities	268	9,617	31,589,912
Wholesale trade	429	6,370	20,964,116
Retail trade	2,152	31,254	59,128,244
Finance, insurance, real estate	711	6,394	13,677,896
Services	2,910	25,309	55,147,095
Federal government	16	3,968	15,129,521
State government	67	775	3,505,824
Local government	63	35,760	83,533,000
Other	54	285	412,172
Total	8,425	159,932	\$413,787,227

^① April-June 1975 quarterly reports from private employers and government entities reporting Unemployment Insurance and Disability Insurance taxes or Personal Income Tax withholding.

Source: California Employment Development Department.

CITY OF RICHMOND

Largest Employers

200 or More Employees

Company	Products/Service	Employees
Airco Industrial Gases	Industrial gases	250
American Standard, Inc.	Plumbing fixtures	200
Chevron Chemical Corp. (Ortho Division)	Agricultural chemicals	500
Chevron Research	Research and development	1,000
Contra Costa College	Richmond job training	277
Ford Marketing Corporation	Warehousing auto parts	238
The Independent	Newspaper publisher	200
Rheem Manufacturing Co.	Fabrication of steel containers	250-300
Richmond, City of	Municipal government	918
Richmond Unified School District	Education	3,085
Safeway Stores, Inc.	Food distributor and manufacturer	1,500
Santa Fe Railway	Transportation	435
Standard Oil Company of Calif.	Petroleum products	2,400
Stauffer Chemical Co.	Agricultural and industrial chemicals	460
United Grocers, Ltd.	Wholesale groceries	455
University of California (Field Station)	Research and development	350
Willamette Iron & Steel Co.	Shipbuilding	300-400

Source: Richmond Community Profile and Richmond Chamber of Commerce.

Standard Oil has invested \$139 million in a new 175,000 barrel per day refinery, nearly doubling the present refining capacity of 190,000 barrels per day. Other improvements, valued at \$31 million, include an extension of the long wharf for tanker discharge, construction of two sulphur recovery plants and the construction of additional storage tanks.

Chevron Research Co., a subsidiary of Standard Oil, performs research, development and technical services in the field of petroleum and chemical products. There are 1,000 persons on the payroll.

The Ortho Division of Chevron, located on approximately 400 acres of the refinery complex, employs 500 persons in six petrochemical plants. Refinery by-products are used in the manufacture of agricultural and industrial chemicals. Three other plants produce home garden and farm chemical products.

Stauffer Chemical Co. employs 460 at three plants in research, development, and manufacture of sulfuric acid, sulfate fertilizers, agricultural insecticides, herbicides, and other chemical products.

Safeway Stores, Inc. operates a large food manufacturing and distribution complex in the city, with 1,500 employees on the payroll. United Grocers, Ltd. employs 455 at a wholesale grocery distribution center.

The Richmond Field Station of the University of California, with a staff of 350 is engaged in research and development activities underwritten by the federal government, the State of California and private industry.

Willamette Iron and Steel Co. offers complete ship repair, dry docking, and conversion services with design engineering, machine and plate shops, employing 300-400 persons.

MacMillan-Bloedel Co., a Canadian firm, plans to build an \$8 million newsprint recycling plant at Richmond's Hensley Industrial Park (Phase I development). The initial staff is expected to number 35-40 persons.

There are 7,200 acres in the city limits zoned for all types of industry. Included in this acreage are

four industrial parks or districts with a combined total of 289 acres, shown below. Sales prices for industrial land in the city range from \$17,500 to \$25,000 per acre.

CITY OF RICHMOND

Industrial Parks or Districts

Park/District	Established	Acres
Hensley Ind. District (Redev. Agency)	1969	61
Santa Fe Golden Gate Industrial Park	1963	55
Santa Fe Industrial District— Shipyard No. 2	1945	150
Southern Pacific Industrial District	1962	23

Commerce

Although Richmond is generally known as an industrial center and deep water port, its central business district is a principal commercial and shopping center for a large residential area. In December ground was broken for the new Downtown Richmond Mercantile Center, part of the downtown rehabilitation program. The city's position as an established commercial hub is further enhanced by development of the \$60 million Hilltop Shopping Center.

Located in the eastern part of the city adjacent to the Interstate 80 Freeway, the center is well located to draw from a large area. J.C. Penney, Capwell's and Macy's department store units, key tenants of the facility, opened for business in 1976. It is estimated the center will have over 100 secondary stores when completed.

The Hilltop Shopping Center represents one portion of a master-planned, 650-acre development. Other development is expected to include commercial, office, and financial offices, a multi-family residential project, an auto center, and a hotel and restaurant complex, representing a total estimated investment of \$200 million.

Taxable sales transactions in the city for the first nine months of 1976 exceeded \$283 million, 31 percent higher than the full year 1975 and greater than any previous annual total. Growth in taxable sales for recent years is shown opposite. A breakdown of 1976 taxable sales (nine months) by type

of business and by the number of permits issued for each type appears below.

CITY OF RICHMOND

Taxable Sales Transactions

Year	Taxable Transactions	Year	Taxable Transactions
1971 ..	\$157,763,000	1974 ..	\$242,684,000
1972* .	180,514,000	1975 ..	216,290,000
1973 ..	219,781,000	1976 (9 mos.)	283,129,000

* Gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization—Annual Reports of Taxable Sales Transactions.

CITY OF RICHMOND

Taxable Sales Transactions January-September 1976

(Thousands of Dollars)

Type of Outlet	No. Permits	Taxable Transactions
Apparel	21	\$ 2,132
General merchandise	12	17,530
Drugstores①	14	1,156
Food stores①	59	7,288
Packaged liquor	20	3,938
Eating and drinking places ..	108	7,766
Home furnishings, appliances.	32	5,810
Building materials, implements	23	6,723
Auto dealers, auto supplies ..	37	23,209
Other retail	165	160,508
Total retail	491	\$236,060
All other outlets	809	47,069
Total outlets	1,300	\$283,129

① Certain items are not taxable.

Source: State Board of Equalization.

Construction

The city has issued building permits valued at over \$56 million during the past two years. This dollar volume was heavily weighted to non-residential construction, as shown in the accompanying tabulation.

Plans for construction of the Hilltop Shopping Center have been discussed. This complex will entail the construction of multi-million dollar commercial, professional and residential space in addition to the three major department stores now open. A total of \$60 million has already been invested at Hilltop Mall, and it is anticipated that an additional \$200 million will be invested for supporting services and residential development in and near this regional complex.

Officials of the Kaiser Foundation have announced plans to build a \$5.5 million medical complex adjacent to the new Social Security Administration Western Regional Program Center in downtown Richmond. Construction of the first phase is scheduled to begin March 31, 1977, with plans for additional expansion at a later date. The initial facility will provide out-patient services and will house 30 to 35 medical practitioners.

Transportation

Interstate 80, principal transcontinental route of Northern California, links Richmond with San Francisco, Oakland, and points to the east. State Highway 17 leads to the coastal area north of San Francisco via the Richmond-San Rafael Bridge. Approximately 265 trucking firms serve the area, with overnight delivery to Los Angeles, San Diego, Reno and southern Oregon.

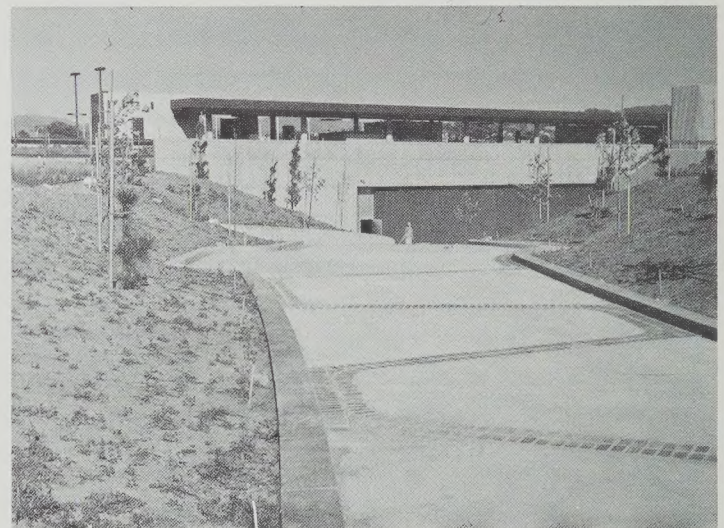
Mainline service of Southern Pacific and the Santa Fe Railway is available to Richmond industry. A new

\$1 million Amtrak terminal, now under construction in the downtown area, will enable transcontinental rail passengers to disembark in Richmond and continue on to other points in the Bay Area at the adjacent BART station, or via local buses of the Alameda-Contra Costa County Transit District.

Air passenger and freight service to national and global points is available at San Francisco International Airport, 28 miles to the southwest, and at Oakland International Airport, 18 miles south, both accessible by freeway.

Deepwater general cargo and bulk service is provided by the Port of Richmond. Extensive container handling facilities are available at the Port of Oakland. Richmond eventually may have up to 13

Richmond station of the Bay Area Rapid Transit system.



CITY OF RICHMOND

Building Permit Valuation 1972-76

	1972	1973	1974	1975	1976
Value (000)					
Residential	\$5,457	\$ 7,326	\$ 4,827	\$ 4,138	\$10,551
New Commercial	1,094	235	3,920	24,575	4,561
New Industrial	870	6,497	3,106	1,671	2,539
Other Nonresidential	1,487	5,015	2,010	2,363	6,103
Total	\$8,908	\$19,073	\$13,863	\$32,747	\$23,754
Number of Residential Units:					
Single-Family	91	149	123	66	117
Multi-Family	238	179	7	2	224
Total	329	328	130	68	341

Source: *California Construction Trends*, Security Pacific Bank.

container terminals, if present plans are carried out. The city will soon begin demolishing an existing pier and buildings at Terminal 3 to make way for the first container terminal. The city has signed a 10-year agreement with Matson Terminals, Inc. giving the company exclusive management rights to the new container terminal.

The 964 acres comprising the Port of Richmond is a redevelopment project of the city's Redevelopment Agency. The proposed project contemplates the development of a small-boat marina, restaurants, public and open space (135 acres), 2,000 to 4,000 new dwelling units, a five-to-seven berth container facility, and deepening of the existing channel and turning basin to handle "third generation" container ships. Initial construction of the container terminal is scheduled to begin in mid-1977.

Intercity and regional bus service is provided by Greyhound Lines and Continental Trailways.

Bay Area Rapid Transit System (BART)

The Richmond terminus of the Bay Area Rapid Transit System is located in the center of the city. From this station Richmond residents have access to San Francisco, Oakland, southern Alameda County, and eastern Contra Costa County aboard high-speed interurban rail cars which serve the most heavily populated communities of the Bay Area.

The BART system has 75 miles of rail. Full-scale service to all 34 BART stations in the system was made available in September 1974, when the first passenger trains transited the six-mile tube under San Francisco Bay. At its deepest point, the tube lies 130 feet under the surface of the water.

From the Richmond station, running time to downtown Oakland is 20 minutes, and to downtown San Francisco, about 40 minutes. Fremont, southernmost terminal in the East Bay, is 52 minutes away, while the run to Concord, most easterly terminal, takes 48 minutes.

Utilities

Utility services to the city are supplied by the following:

Electric power:	Pacific Gas & Electric Co.
Natural gas:	Pacific Gas & Electric Co.
Telephone:	Pacific Telephone Co.
Water:	East Bay Municipal Utility District
Sewer:	Richmond Municipal Sewer District

West Contra Costa County sewage treatment agencies, including Richmond, Pinole, Hercules, and San Pablo, are proceeding with plans to consolidate under the proposed \$10 million West County Agency.

Pacific Gas & Electric Co. plans to build a 42-mile pipeline from Standard Oil Company's Richmond refinery to its generating plants at Pittsburg and Antioch, to deliver low sulfur fuel oil which will replace costly natural gas.

Education

The Richmond Unified School District provides public educational services through the secondary grades, operating 49 elementary schools, six junior high schools, and six senior high schools. The district also maintains a continuation high school and an evening adult school. The district serves Richmond, four neighboring municipalities, and certain urbanized and rural unincorporated territory. This school district had a total enrollment of 37,357 students in the 1975/76 school year, down from 40,025 the previous year.

There are three community colleges in Contra Costa County. The campus of Contra Costa College (enrollment 9,718) is situated in the city of San Pablo, adjacent to Richmond. Las Medanos College (5,323) at Pittsburg, in the central part of the county, was established in 1974. The eastern part of the county is served by Diablo College (18,738) at Pleasant Hill. These two-year institutions offer programs in a variety of technical and academic fields.

Degree institutions within commuting distance of Richmond include the Berkeley campus of the University of California, Mills College in Oakland, St. Mary's College at Moraga, and California State University, Hayward. Other prominent universities in the Bay Area are Stanford, University of San Francisco, and San Francisco State University.

Community Facilities and Recreation

The Richmond area has four general hospitals with a total capacity of 561 beds. A previous paragraph referred to plans for the new \$16 million Kaiser Hospital complex in downtown Richmond. Practicing in the community are 145 physicians/surgeons, 50 dentists, 17 optometrists, and 11 chiropractors.

Five banks operate ten offices throughout the city: Bank of America (2), Central Bank (2),

Crocker National Bank, Mechanics Bank (headquarters and 2 offices), and Wells Fargo Bank (2). Additional financial services are provided by five savings and loan associations.

The *Richmond Independent* is published daily in the city. The city is conveniently located for access to all San Francisco-Oakland communications and broadcast media.

The Richmond City Library system encompasses the Main Library at the Civic Center and three branches throughout the city.

The city's Recreation and Parks Department administers a variety of facilities including three community centers, parks, playgrounds, a public beach, tennis courts, swimming pools, baseball diamonds, and a performing arts program. The city operates a summer Day Camp for children at Wildcat Canyon, about six miles from Richmond.

Additional recreational facilities in and near the

city are made available by the East Bay Regional Park District. One of this district's newest parks is the Point Isabel Regional Shoreline, a 21-acre facility near the new Bulk Mailing Center in Richmond. Also being developed by the district is George Miller Jr. Regional Shoreline (65 acres) at Point Richmond, estimated to cost \$2,600,000 at full development, and a 1,200-foot fishing pier extending into San Pablo Bay from the 1,164-acre Point Pinole Regional Shoreline.

The East Bay Regional Park District maintains a number of regional parks within convenient driving distance of the city, including Charles Lee Tilden, Wildcat Canyon, Redwood, Lake Temescal, Point Pinole, Brooks Island (Regional Preserve), and Lake Chabot Regional Parks. In addition, the East Bay Municipal Utility District has recently developed three of its local reservoirs for recreational use, and has opened them to the public for water sports and related activities.

Recent view of the \$36 million Social Security Program Center in the Agency's Downtown Redevelopment Project (background), and a newly opened banking office (foreground). The Program Center is privately owned and will be leased to the Federal Government, thus adding to the assessed valuation of the city and this Redevelopment Project.



APPENDIX I
1975/76 Audit Report
Richmond Redevelopment Agency

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Stephens & Petsas, Inc. *Accountants*

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September 27, 1976

To the Board of Directors
Richmond Redevelopment Agency

We have examined the statements of assets and liabilities arising from cash transactions of the Richmond Redevelopment Agency of the City of Richmond, California (General Fund; Downtown Richmond Program, R-56; Neighborhood Development Program, A-33; Eastshore Park Project Tax Allocation Bonds; Harbour Project, 11-A; Revolving Fund and the Combined Statement) at June 30, 1976. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary under the circumstances.

In our opinion the accompanying statements present fairly the assets and liabilities of the Richmond Redevelopment Agency of the City of Richmond, California as of June 30, 1976, arising directly from cash transactions.


Stephens & Petsas, Inc.
Accountants

Richmond Redevelopment Agency
Combined Statement
Statement of Assets and Liabilities
June 30, 1976

ASSETS

Current Assets

Cash in Banks	\$ 125,861
Accounts Receivable (Note B)	
Tenants	1,145
HUD Audit Exceptions	5,124
Project Costs Paid	7,292
Rehabilitation Grant Due - Federal Government	18,801
Investments Held (Note B)	<u>4,399,448</u>

Total Current Assets \$ 4,557,671

Project Costs (Note C) 30,702,350

Agency Building Costs (Note D) 203,738

Relocation Payments 1,137,837

Rehabilitation Grant Payments 18,801

Total Assets \$ 36,620,397

LIABILITIES AND CAPITAL

Liabilities (Note E)

Prepaid Rent	\$ 325
Trust Deposits	181,767
Mortgage Payable - Building (Note D)	23,836
Notes Payable - Federal Programs	4,380,000
Bonds Payable - Eastshore Park	1,500,000
Accrued Interest - Notes and Bonds Payable	<u>135,207</u>

Total Liabilities \$ 6,221,135

Capital (Note F)

Local Cash Grant-In-Aid	\$ 2,422,151
Local Non-Cash Grant-In-Aid	5,804,258
Capital Grants Earned	19,383,897
Rehabilitation Grant Earned	18,801
Relocation Grant Earned	1,137,837
Property Tax Increments - Eastshore Park	<u>1,632,318</u>

Total Capital \$ 30,399,262

Total Liabilities and Capital \$ 36,620,397

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Combined Statement
Notes to Financial Statement
June, 30, 1976

General With the passage of the National Housing Act of 1949, and implementing state legislation, the Richmond City Council established the Richmond Redevelopment Agency pursuant to Ordinance No. 4687 on October 24, 1949. The objectives of the Agency were to acquire and clear the wartime housing, provide new housing for low and moderate income families, and upgrade and broaden the community's economic base through development of industrial parks and commercial areas. In addition, the Agency has been instrumental in providing improved streets, parks, community buildings, sewage facilities and other public improvements. To date, the Agency has initiated nine redevelopment projects and two neighborhood development projects. Costs of the several projects have been met from advances by the City of Richmond, federal assistance under the Renewal Assistance and Model Cities Programs, tax increment income returned to the City and placed in a Redevelopment Revolving Fund for subsequent expenditure, and proceeds from the sale of tax allocation bonds.

The City Council acts as the governing board of the Redevelopment Agency, assisted by separate advisory committees for each redevelopment project appointed by the Council. The Agency maintains a staff of 20 under the direction of an appointed Administrator. Services provided by Agency staff include planning, engineering, property acquisition, relocation, fiscal management and other functions necessary for project implementation. Additional supporting services in the fields of planning, engineering and public works are provided by city staff.

Note A: General Accounting Policies As approved by the U.S. Department of Housing and Urban Development for the Federal Government Programs, the books of account of the Agency are maintained on the modified cash method of accounting, with the inclusion of Accounts Receivable-Tenants, HUD Audit exceptions, Project Costs Paid and Rehabilitation Grant Due as Assets and Prepaid Rent, Trust Deposits and Accrued Interest-Notes Payable as Liabilities.

Note B: Accounts Receivable and Investments Held For a detailed description of these accounts, please see the footnotes for the related fund or program attached.

Note C: Project Costs Project Costs have been netted with the sales price of land sold, other income and income from temporary operation of acquired property. See attached statements of Program Costs.

Note D: Agency Building Costs For consolidation purposes, interfund rent charged from the General Fund to the other programs has been eliminated from the combined statement. See the General Fund for details of the building costs and the related debt.

Note E: Liabilities For a detailed description of these accounts, please see the footnotes for the related fund or program attached.

Richmond Redevelopment Agency
Combined Statement
Notes to Financial Statement
June 30, 1976

Note F: Capital Local Cash Grant-In-Aid are funds which have been provided by the agency, through the City of Richmond to meet the cash requirements for Federal programs and the cost of local programs.

Local Non-Cash Grant-In-Aid are "in kind" contributions for public improvements, services rendered and land donations to meet the federal requirements of local share of non-cash Grant-In-Aid.

Capital Grants Earned, Rehabilitation Grant Earned and Relocation Grant Earned are federal grants under the Downtown Richmond Program R-56 and Neighborhood Development Program, A-33. For additional information about these programs see the statement for these programs attached.

Property Tax Increments-Eastshore Park are property taxes sequestered under this bond issue for the project areas. Property tax increments have also been sequestered in project areas 8A (Hensley Industrial District), 10A (Downtown Richmond Project, R-56) and 12A (North Richmond Project, a portion of the Neighborhood Development Program, A-33). The income generated from these taxes are paid directly to the City of Richmond.

Note G: Contingent Liabilities In the course of its operation, the Richmond Redevelopment Agency is involved in litigation in the determination of values of properties acquired by virtue of condemnation actions. Currently there are 15 such cases pending, with a projected cost of approximately \$1,696,088 to acquire the properties involved. The books of account of the Agency are maintained on the modified cash method of accounting (see Note A above) and do not reflect the properties being acquired under these suits and the related acquisition expenses until such suits are resolved.

In addition to the above litigation, suits are pending with the East Bay Municipal Utility District, Pacific Telephone and Telegraph Company and will be filed against Pacific Gas and Electric Company to determine whether the Agency or the utility is liable for costs incurred in the project areas. Trust deposits totaling \$93,924 (including interest from date of deposit) are held in the general fund, pending the results of these suits. (See Note E, General Fund, Notes to Financial Statement.)

Richmond Redevelopment Agency
General Fund
Statement of Assets and Liabilities
June 30, 1976

ASSETS

Current Assets

Cash in Banks		
Commercial Account	\$ 15,040	
Savings Account	<u>2,035</u>	\$ 17,075
Accounts Receivable		
Project Costs Paid (Note B)		7,292
Investments Held (Note C)		<u>245,343</u>
Total Current Assets		\$ 269,710

Agency Building Costs (Note D)

Construction Costs	\$ 154,054	
Land	22,000	
Interest on Mortgage Paid	27,684	
Less: Rents Received from other projects	<u>(150,000)</u>	<u>53,738</u>
Total Assets		\$ <u>323,448</u>

LIABILITIES AND CAPITAL

Liabilities

Trust Deposits (Note E)		\$ 97,914
Mortgage Payable - Agency Building (Note D)		<u>23,836</u>
Total Liabilities		\$ 121,750

Capital

Sales Price of Disposed Property	\$ 352,171	
Less: Program Costs (Scheduled)	<u>(150,473)</u>	
Total Capital		<u>201,698</u>
Total Liabilities and Capital		\$ <u>323,448</u>

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
General Fund
Statement of Program Costs
June 30, 1976

Program Expenditures	
Project Execution-	
Administrative	\$ 34,737
Legal	6,284
Acquisition Expense	1,311
Temporary Operation of Acquired Property (Net)	(17,280)
Site Improvements	6,886
Real Estate Purchased	212,784
Interest	11,541
Travel	21,424
Office Furniture and Equipment	1,163
Audit Exceptions	290
Other Income	(<u>70,699</u>)
Total Program Expenditures	\$ 208,441
Less: Administrative Costs Repaid	(<u>57,968</u>)
Net Program Costs	\$ <u><u>150,473</u></u>

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
General Fund
Notes to Financial Statement
June 30, 1976

General The Redevelopment Agency on February 27, 1953 purchased from the Public Housing Administration portions of two former temporary war housing projects known as Canal and Terrace. In March, 1957 the Agency sold the Terrace project to Bray Oil Company for a profit. Under the terms of the sales agreement, the Agency received the right to retain the rental income from several residual temporary war housing structures leased to Contra Costa College and to the Department of the U. S. Army until the leases expired or were cancelled. Sales and rental proceeds were used to create the General Fund.

The General Fund has been used principally as a supplement to the City of Richmond's Redevelopment Revolving Fund, and operates in substantially the same manner. Expenses which cannot be met with Federally-assisted project funds are frequently advanced by the General Fund and reimbursed later from new taxes generated by redevelopment action under provisions of the California Community Redevelopment Law. Reimbursable advances are listed periodically and transmitted to the City of Richmond's Director of Finance accompanied by certificates.

The Fund has also been used to finance a portion of the Redevelopment Agency's office building, to pay interest on money borrowed from the Mechanics Bank to repurchase the Terrace property from Bray Oil Company, the unsuccessful developer, to provide a study for the Model Cities Program, and to meet certain continuing operating expenses of the Agency and previously closed projects.

Currently, the General Fund has sold all of the real property previously acquired, with the exception of the Agency building.

Note A: Accounting Policies The books of account are maintained on the modified cash method of accounting with the inclusion of Accounts Receivable-Project Costs Advanced as an asset.

Note B: Accounts Receivable-Project Costs Paid These funds are costs advanced on various federal, state and local projects which are to be repaid from either the proceeds of future land sales or future property tax increments.

Note C: Investments Held Investments held are as follows:

<u>Project Expenditure Account</u>			
	Amount	Value at	Maturity
<u>Type of Security</u>	<u>Invested</u>	<u>Maturity</u>	<u>Date</u>
U. S. Treasury Bills	\$ 49,324	\$ 50,000	9/16/76
U. S. Treasury Bills	146,019	150,000	11/4/76
Certificate of Deposit bearing interest @ 5 1/8 % per annum	<u>50,000</u>	<u>50,641</u>	7/29/76
TOTALS	<u>\$245,343</u>	<u>\$250,641</u>	

These investments are subject to the contingencies in Note E.

Richmond Redevelopment Agency
General Fund
Notes to Financial Statement
June 30, 1976

Note D: Agency Building Costs In 1968 the Agency constructed the building which it currently occupies at 330 Twelfth Street, Richmond, California. On March 15, 1968 a mortgage for \$110,000 was secured from the Mechanics Bank of Richmond, California, payable monthly at \$1,155.00, including interest at 4.75% per annum for a period of 10 years.

Building rent of \$1,500 per month is charged to the various active programs as part of the administrative expenses incurred by the agency.

Note E: Trust Deposits Trust deposits are as follows:

Performance Bonds held from land sales	\$3,890
Contingency Bond Held-East Bay Municipal Utilities District. The Agency has deposited the sum of \$69,160 into this account as a bond pending the outcome of litigation to determine whether the Agency or the Utility district is liable for the costs incurred in the project areas.	

Fund Balance, including accrued interest	85,349
Contingency Bond Held-Pacific Telephone & Telegraph Company. The Agency has deposited the sum of \$5,800 into this account as a bond pending the outcome of litigation to determine whether the Agency or the utility is liable for the costs incurred in the project areas.	

Fund Balance, including accrued interest	<u>8,675</u>
--	--------------

TOTAL	<u>\$97,914</u>
-------	-----------------

The above trust deposits are included in the Investments Held as described in Note C.

Richmond Redevelopment Agency
Downtown Richmond Program, R-56
Statement of Assets and Liabilities
June 30, 1976

ASSETS

Current Assets

Cash in Banks

Project Expenditure Account

\$ 30,442

Temporary Loan Repayment

4,180

Trust Account

134

\$ 34,756

Accounts Receivable

Tenants (Note B)

\$ 500

Revolving Fund - Joint Account

45,000

45,500

Investment Held (Note C)

2,564,557

Total Current Assets

\$ 2,644,813

Net Program Cost (Scheduled)

26,465,725

Relocation Payments

1,137,837

Total Assets

\$ 30,248,375

LIABILITIES

Liabilities

Deposit Liability (Note D)

\$ 83,544

Note Payable (Note E)

3,650,000

Accrued Interest on Note Payable (Note E)

113,310

Total Liabilities

\$ 3,846,854

Capital

Local Cash Grant-In-Aid

\$ 845,982

Non-Cash Local Grant-In-Aid

5,797,048

Project Capital Grant

18,620,654

Relocation Grants

1,137,837

Total Capital

26,401,521

Total Liabilities and Capital

\$ 30,248,375

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Downtown Richmond Program, R-56
Statement of Program Costs
June 30, 1976

Program Expenditures	
Survey and Planning	\$ 337,195
Project Execution -	
Administrative	2,984,913
Legal Services	274,458
Acquisition Expenses	186,305
Disposal, Lease and Retention Costs	244,542
Temporary Operation of Acquired Property (Net)	56,588
Site Clearance	614,195
Project Improvements	1,639,024
Real Estate Purchases	16,065,883
Interest	2,589,185
Project Inspection	143,428
Other Income	(1,299,164)
 Total Program Expenditures	 \$ 23,836,552
 Non-Cash Local Grant-In-Aid	 <u>5,797,048</u>
 Gross Program Costs	 \$ 29,633,600
 Less: Sales Price of Land Sold	 <u>(3,167,875)</u>
 Net Program Costs	 \$ <u>26,465,725</u>

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Downtown Richmond Program, R-56
Notes to Financial Statement
June 30, 1976

General Project Number R-56, Downtown Richmond Program, was enacted on September 26, 1966 when the original contract was signed by the local agency with the federal government to improve and revitalize the downtown area. This contract was amended on November 19, 1975. The total capital grant is \$27,053,122.

Note A: Accounting Policies The books of account are maintained on the modified cash method of accounting, with the inclusion of Accounts Receivable-Tenants and Revolving Fund as assets and Accrued Interest on Notes Payable as a liability.

Note B: Accounts Receivable - Tenants As properties are acquired by the agency, tenants currently occupying the buildings in many cases continue to rent their premises on a month-to-month basis from the agency. These month-to-month rental agreements contain a ninety (90) day cancellation clause. Also the agency rents vacant lots for parking facilities, until these properties can be ultimately sold.

Note C: Investments Held Investments held are as follows:

<u>Type of Security</u>	<u>Amount Invested</u>	<u>Value at Maturity</u>	<u>Maturity Date</u>
Project Expenditure Account			
U. S. Treasury Bills	\$ 207,581	\$ 212,000	7/22/76
U. S. Treasury Bills	160,927	163,000	8/12/76
Subtotal	<u>\$ 368,508</u>	<u>\$ 375,000</u>	
Temporary Loan Repayment Fund			
U. S. Treasury Bills	\$ 14,816	\$ 15,000	7/8/76
U. S. Treasury Bills	1,572,844	1,580,000	7/22/76
Subtotal	<u>\$1,587,660</u>	<u>\$1,595,000</u>	
Trust Account			
U. S. Treasury Bills	\$ 39,505	\$ 40,000	7/1/76
U. S. Treasury Bills	4,938	5,000	7/8/76
U. S. Treasury Bills	36,530	37,000	8/12/76
U. S. Treasury Bills	27,416	28,000	7/22/76
Subtotal	<u>\$ 108,389</u>	<u>\$ 110,000</u>	

Supersedeas Bond (Held as a bond pending the outcome of a pending condemnation case - see footnotes to consolidated statements for contingent liabilities.)

Savings Account	<u>\$ 500,000</u>	<u>\$ 500,000</u>
TOTALS	<u>\$2,564,557</u>	<u>\$2,580,000</u>

Note D: Deposit Liabilities As negotiations continue for the sale of real property, the agency has required good faith deposits from the prospective purchasers. Such funds are recorded in the Deposit Liabilities Account as are any funds held as performance bonds.

Richmond Redevelopment Agency
Downtown Richmond Program, R-56
Notes to Financial Statement
June 30, 1976

Note E: Note Payable and Accrued Interest On July 31, 1975 the agency secured Project Note, 3rd Series 1975, from Bank of America, bearing interest at 3.23% per annum with a premium of \$298. This note is due on July 23, 1976. The interest accrued to date is \$113,310.

Note F: HUD Audit Report and Findings In the audit (case number 08-4-6008-2509), Mr. Patrick J. Collins, Regional Inspector General for Audit Region IX, issued a report encompassing the audit of Project No. California, R-56. The scope of the audit included "(1) a determination as to the compliance by the LPA (the agency) with the terms and conditions of the Loan and Grant contracts; with the pertinent regulations, policies and procedures of the Departments of Housing and Urban Development (HUD) and with its own management regulations and procedures; (2) an evaluation of the internal control, including a review of the accuracy and condition of the accounting records; and (3) a determination as to the eligibility of the expenditures as recorded."

The audit report issued included a favorable opinion on all of the above items except for questioning of a relocation payment of \$10,000 for lack of adequate supporting documentation. The agency has 30 days from the receipt of the HUD audit report (September 23, 1976) to respond to this finding and clarify this problem. The agency staff has responded to the findings for clearance. Subject to this change, the Relocation Payments and the related Grants have been approved by HUD, as well as approving the Local Cash and Non-Cash Grant-In-Aid and the Project Capital Grant expenditures.

Richmond Redevelopment Agency
Neighborhood Development Program, A-33
Statement of Assets and Liabilities
June 30, 1976

ASSETS

Current Assets

Cash in Banks

Project Expenditure Account

\$ 15,295

Temporary Loan Repayment Fund

2,626

\$ 17,921

Accounts Receivable

Tenants (Note B)

\$ 645

Revolving Fund

5,500

Rehabilitation Grant Due - Federal Government

18,801

HUD Audit Exception Receivable (Note E)

5,124

30,070

Investments Held (Note C)

366,153

Total Current Assets

414,144

Project Costs (Scheduled)

1,475,559

Rehabilitation Grant Payments

18,801

Total Assets

\$ 1,908,504

LIABILITIES AND CAPITAL

Liabilities

Trust Deposit Liability

\$ 309

Note Payable (Note D)

730,000

Accrued Interest on Note Payable (Note D)

21,897

Total Liabilities

\$ 752,206

Capital

Local Cash Grant-In-Aid

\$ 367,044

Non-Cash Local Grant-In-Aid

7,210

Capital Grant Earned

763,243

Rehabilitation Grant

18,801

Total Capital

1,156,298

Total Liabilities and Capital

\$ 1,908,504

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Neighborhood Development Program, A-33
Statement of Program Costs
June 30, 1976

Program Expenditures	
Project Execution -	
Administrative	\$ 118,185
Legal Services	8,638
Survey and Planning	324
Acquisition Expenses	21,952
Relocation and Community Organization	203,781
Disposal, Lease and Retention costs	4,411
Temporary Operation of Aquired Property	9,810
Site Clearance	40,035
Project Improvements	367,732
Rehabilitation Costs	2,055
Real Estate Purchase	676,925
Interest	99,709
Project Inspection	14,412
Other Income	(99,620)
 Total Program Expenditures	 \$ 1,468,349
 Non-Cash Local Grant-In-Aid	 <u>7,210</u>
 Net Program Costs	 \$ <u>1,475,559</u>

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Neighborhood Development Program, A-33
Notes to Financial Statement
June 30, 1976

General Project Number A-33, Neighborhood Development Program was enacted to improve the Nevin and North Richmond Districts of the city. Seventy-five percent of the project costs are paid by a federal government capital grant and the remaining twenty-five percent by the local government. This project is in the close-out stage, with the contract period extended to September 30, 1976.

Note A: Accounting Policies The books of account are maintained on the modified cash method of accounting, with the inclusion of Accounts Receivable as assets and Accrued Interest on Notes Payable as a liability.

Note B: Accounts Receivable - Tenants Tenants currently occupying buildings acquired by the agency, in many cases, continue to rent their premises on a month-to-month basis from the agency. These month-to-month rental agreements contain a ninety (90) day cancellation clause.

Note C: Investments Held Investments held by the Project Expenditure Account are as follows:

<u>Type of Security</u>	<u>Amount Invested</u>	<u>Value at Maturity</u>	<u>Maturity Date</u>
U. S. Treasury Bills	\$207,581	\$212,000	7/22/76
U. S. Treasury Bills	<u>160,927</u>	<u>163,000</u>	8/12/76
TOTALS	<u>\$366,153</u>	<u>\$375,000</u>	

Note D: Note Payable and Accrued Interest On October 7, 1975, the agency secured Project Note, 4th Series 1975, from Mechanics Bank of Richmond, California, bearing interest at 4.09% per annum. This note is due July 23, 1976. The interest accrued to date is \$21,897.

Note E: HUD Audit Report and Findings In the audit (case number 08-4-6008-2509), Mr. Patrick J. Collins, Regional Inspector General for Audit Region IX, issued a report encompassing the audit of Project No. California, A-33. The scope of the audit included "(1) a determination as to the compliance by the LPA (the agency) with the terms and conditions of the Loan and Grant contracts; with the pertinent regulations, policies and procedures of the Departments of Housing and Urban Development (HUD) and with its own management regulations and procedures; (2) an evaluation of the internal control, including a review of the accuracy and condition of the accounting records; and (3) a determination as to the eligibility of the expenditures as recorded."

The audit report issued included a favorable opinion on all of the above items except the recommendation that two relocation payments, totaling \$5,124 be disallowed. The agency has 30 days from the receipt of the HUD audit report (September 23, 1976) to respond to these findings and protest

Richmond Redevelopment Agency
Neighborhood Development Program, A-33
Notes to Financial Statements
June 30, 1976

the recommendation. The Agency has responded to the findings for clearance. Subject to said audit adjustment, which has been included in this statement, the Relocation Payments and the related Grant have been approved by HUD, as well as approving the Local Cash and Non-Cash Grants-In-Aid and the Project Capital Grant Expenditures.

Richmond Redevelopment Agency
Eastshore Park Project Tax Allocation Bonds
Statement of Assets and Liabilities
June 30, 1976

ASSETS

Current Assets

Cash in Banks

Redevelopment Fund

\$ 6,538

Special Fund

2,607

Redemption and Principal Funds

95

Bond Interest Fund

722

\$ 9,962

Investments Held (Note B)

1,223,395

Total Current Assets

\$ 1,233,357

Project Costs

1,898,961

Total Assets

\$ 3,132,318

LIABILITIES AND CAPITAL

Current Liabilities

Current Portion, Bonds Payable (1971 Series)

\$ 175,000

Long-Term Liabilities

1971 Series Bonds Payable, Secured (Note C)

\$ 500,000

Less: Current Portion

(175,000)

325,000

1975 Series Bonds Payable, secured (Note C)

1,000,000

Total Liabilities

\$ 1,500,000

Capital

Property Tax increments (Note C)

1,632,318

Total Liabilities and Capital

\$ 3,132,318

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Eastshore Park Project Tax Allocation Bonds
Statement of Project Costs
June 30, 1976

Project Expenditures

Site Improvement - 1971 Bond Issue

Land	\$ 249,510	
Buildings	1,373,659	
Furniture and Fixtures	<u>75,000</u>	\$ 1,698,169

Site Improvements - 1975 Bond Issue

Buildings		544,242
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Other Costs

Bond Discount	\$ 63,120	
Printing and Bond Registration	10,579	
Bond Legal Counsel	24,750	
Financial Consultations	37,013	
Administrative Fees	3,775	
Bond Interest	319,098	
Agency Costs Advanced	3,088	
Audit Fees	<u>2,585</u>	<u>464,008</u>

Total Program Expenditures		\$ 2,706,419
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Less: Property Tax increments

reimbursed as of May 31, 1971	(521,264)
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Interest Income

(<u>286,194</u>)

Net Project Costs

\$ <u>1,898,961</u>

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Eastshore Park Project Tax Allocation Bonds
Notes to Financial Statement
June 30, 1976

General Resolution 71-45 provides for special funds and accounts for the allocation of bond proceeds and administration of the flow of revenues. The funds and amounts currently in use by the project are as follows:

Redevelopment Fund-From this fund are paid the general operating expenses of the project.

Special Fund-This Fund receives the tax increments which are held in trust until required by another fund.

Bond Interest and Principal Accounts-These accounts are for the disbursing of the semi-annual bond interest and principal payments.

Reserve Account-The monies in this account are used solely for the purpose of replenishing the Bond Interest or Principal Accounts in the event no other monies are available for payment of interest or principal.

Note A: Accounting Policies The books of accounts are maintained on the cash method of accounting. Therefore, no effect has been given to accrued interest income of securities or accrued interest expense payable.

Note B: Investments Held Investments held are as follows:

Redemption Fund -

\$395,000 U. S. Treasury Bills, due 11/12/76 \$ 383,864

Reserve Fund -

TCD @ 5 7/8% interest, due 11/15/76 270,000

Special Fund -

\$125,000 U.S. Treasury Bills, due 11/15/76 121,331

TCD @ 5 1/2% interest, due 11/15/76 167,400

Redemption and Principal Fund -

TCD @ 5 1/2% interest, due 11/15/76 248,900

TCD @ 5 1/2% interest, due 11/15/76 27,100

TCD @ 5 1/2% interest, due 11/15/76 4,800

TOTAL INVESTMENTS HELD

\$ 1,223,395

Note C: 1971 Series Bonds Payable Pursuant to the provisions of Resolution Number 71-45, adopted October 4, 1971, by the Richmond Redevelopment Agency, tax allocation bonds were issued to finance the Eastshore Park Redevelopment Project. The bonds had an original principal of \$1,475,000 and were issued November 15, 1971. These bonds are scheduled to be retired on November 15, 1976.

Richmond Redevelopment Agency
Eastshore Park Project Tax Allocation Bonds
Notes to Financial Statement
June 30, 1976

Interest is payable semi-annually on May 15 and November 15. The remaining outstanding bonds mature as set forth in the following schedule:

<u>Maturity Date</u> <u>November 15</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
1976	\$ 175,000	4.25%
1981	675,000	5.00%
	<u>\$ 850,000</u>	
Less: Bonds Called	(350,000)	
	<u><u>\$ 500,000</u></u>	

1975 Series Bonds Payable Pursuant to the provisions of Resolution Number 75-23, adopted July 14, 1975, the Richmond Redevelopment Agency of the City of Richmond issued Eastshore Park Project Tax Allocation Bonds, Series 1975, for \$1,000,000. The 7.289%, fifteen year bonds were issued at a \$44,830 discount. The purpose of this issue is to finance construction and incidental cost of a city fire station and a branch of the city library to be located within the Eastshore Park Project.

The bonds are secured by a first pledge of all the tax revenues and all the monies in the Reserve Account and Temporary Supplemental Reserve Fund.

The bonds are payable from property taxes collected from within the project area on the increased assessed valuation resulting from redevelopment.

Richmond Redevelopment Agency
Harbour Project, 11-A
Statement of Assets and Liabilities
June 30, 1976

ASSETS

<u>Current Assets</u>	
Account Receivable - Revolving Fund	\$ 4,000
<u>Project Costs (Scheduled)</u>	<u>1,213,803</u>
Total Assets	\$ <u>1,217,803</u>

LIABILITIES AND CAPITAL

<u>Liabilities</u>	
Cash in Bank (Overdraft)	\$ 8,353
Prepaid Rents	<u>325</u>
Total Liabilities	\$ 8,678
<u>Capital</u>	
Local Cash Grant-In-Aid	<u>1,209,125</u>
Total Liabilities and Capital	\$ <u>1,217,803</u>

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Harbour Project, 11-A
Statement of Project Costs
June 30, 1976

Project Expenditures	
Survey and Planning	\$ 141,522
Project Execution-	
Administrative	98,567
Legal	643
Acquisition Expenses	8,449
Real Estate Purchased	974,575
Temporary Operation of Acquired Property (Net)	(9,909)
Other Income	(<u>44</u>)
Net Project Costs	\$ <u><u>1,213,803</u></u>

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Harbour Project, 11-A
Notes to Financial Statement
June 30, 1976

General The agency has acquired properties in the project area for the purpose of land assembly for a public owned containerized cargo facility to attract additional industry to the area. Negotiations are being completed with Matson Terminals, Inc. to manage the facility. Costs of expanding and improving the facility will be furnished through revenue bonds which have been approved by the City Council and Agency Board.

Note A: Accounting Policies The books of account are maintained on the modified cash method of accounting, with the inclusion of Prepaid Rent as a liability.

Richmond Redevelopment Agency
Revolving Fund
Statement of Assets and Liabilities
June 30, 1976

ASSETS

Petty Cash	\$ 100
Cash in Bank	<u>54,400</u>
Total Assets	<u>\$ 54,500</u>

LIABILITIES

Accounts Payable - Joint Activities	
Harbour Project, 11-A	\$ 4,000
Neighborhood Development Program, A-33	5,500
Downtown Richmond Program, R-56	<u>45,000</u>
Total Liabilities	<u>\$ 54,500</u>

See accompanying footnotes which are an integral part of this statement.

Richmond Redevelopment Agency
Revolving Fund
Notes to Financial Statement

General The Revolving Fund pays the operating costs of the agency programs, then charges each program for the costs incurred.

Note A: Accounting Policies The books of account are maintained on the cash method of accounting.

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